

INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

PARIS, FRIDAY, MARCH 6, 1987

ESTABLISHED 1867

The Global Newspaper Edited and Published in Paris Printed simultaneously in Paris, London, Zurich, Hong Kong, Singapore, The Hague, Marseille, Miami.

No. 32,357 10/87

Soviet Said to Agree To Inspections of Europe Missile Sites

By James M. Markham
New York Times Service
GENEVA — The Soviet Union has agreed to the principle of on-site inspection in the proposed removal of medium-range nuclear missiles from Europe, diplomats close to the negotiations here said.

The Soviet delegation, according to the diplomats, has also voiced agreement on treaty provisions for dealing with shorter-range missiles.

This progress was reported as the United States presented its 40-page draft for an accord on medium-range missiles in response to a pro-

posable made Saturday by Mikhail S. Gorbachev, the Soviet leader.

In the improving arms control climate, officials in Washington also said the White House had rejected a Pentagon suggestion that the Soviet Union be formally accused of preparing a nationwide anti-ballistic missile defense.

President Ronald Reagan said Thursday that an agreement with Moscow on reducing medium range missiles "is now within reach" and this is "a great moment of hope for all mankind."

Mr. Reagan said at a meeting of the National Newspaper Association: "I never felt more optimistic about the prospects of success in this area than I do today. That's because this past week, we've had a major breakthrough on the path toward agreement on mutual and



Stephen Ledogar, left, head of the U.S. mission to NATO, welcomes Max M. Kampelman, the leader of the U.S. arms delegation, in Brussels on Thursday. U.S. negotiators arrived from Geneva to brief the allies on the arms control talks with the Soviet Union.

'Comeback Week' for Reagan

Republican and Democratic Leaders Praise Iran Speech

By David S. Broder and Edward Walsh
Washington Post Service
WASHINGTON — Leaders of both parties have expressed the view that President Ronald Reagan has turned the corner toward political recovery by acknowledging re-

sponsibility for the failings of his Iran policy and taking credible steps to improve his White House staff and national security operation.

The Senate majority leader, Robert C. Byrd, Democrat of West Virginia, said that "one speech is

Reagan Admits Failure In Iran Policy, Vows to Improve Management

By Steven V. Roberts
New York Times Service
WASHINGTON — President Ronald Reagan has acknowledged that his policy toward Iran had "deteriorated" into a trade of arms for hostages, and he accepted "full responsibility" for the Iran-contra affair, which has thrown a shadow over his administration for more than three months.

The president adopted an unusually conciliatory tone in his 13-minute broadcast address Wednesday night, detailing a long series of mistakes and misjudgments made by his administration and vowing some changes in the way it works.

But Mr. Reagan again rejected the view of many critics that his original policy of using arms to re-establish relations with the Tehran government was basically flawed.

"What began as a strategic opening in Iran deteriorated in its implementation into trading arms for hostages," Mr. Reagan said. "This runs counter to my own beliefs, to administration policy and to the original strategy we had in mind. There are reasons why it happened, but no excuses. It was a mistake."

The speech was widely regarded as one of the most important of Mr. Reagan's presidency, as he tried to reverse the decline in his public approval rating and regain some political traction for his final 23 months in office.

Politicians from both parties praised the president's candor. Republicans cited it as a turning point in the White House crisis. Democrats, while saying that the president had moved to limit the political damage from the affair, emphasized that one speech could not repair the damage overnight.

Bob Dole, Republican of Kansas, the Senate minority leader, said: "This is the first big step on that comeback trail, but there is still a long way to go."

Mr. Reagan went beyond any of his previous statements in confronting the failure of his secret dealings with Iran, and the subsequent diversion of profits to the Nicaraguan rebels, who are known as contras. The affair has caused a shake-up in the top levels of the White House.

While describing himself as angry and disappointed with the actions of subordinates who carried out the policy, the president said he would take the blame himself.

"As the navy would say, this happened on my watch," Mr. Reagan said.

The speech came at a critical moment in his second term, six days after the review board led by former Senator John C. Tower, a Texas Republican, sharply criticized his failure to pay closer attention to the actions of the National Security Council staff, which managed the Iran operation.

In an attempt to demonstrate that he was back in control of the government, the president mentioned this series of actions he was taking to correct the flaws described by the Tower commission:

• The National Security Council has been directed to review all covert operations now being conducted by the government, and there will be "no more free-lancing" by individual staff members. In November, Vice Admiral John M. Poindexter resigned as head of the council and his aide, Lieutenant Colonel Oliver L. North, was dismissed for his roles in directing the Iran affair.

• Record keeping will be improved in the White House on national security matters. The president blamed the lack of adequate records for his failure to remember

LATE NEWS

Solzhenitsyn Report Denied

MOSCOW (AP) — There are no plans to publish Alexander I. Solzhenitsyn's book "Cancer Ward" in the Soviet Union, the Soviet Foreign Ministry spokesman, Gennadi I. Gerasimov, said Thursday.

Mr. Gerasimov denied a report on Wednesday in Information, a Danish newspaper, that the newspaper attributed its report to Sergei P. Zalygin, editor of the literary journal Novy Mir. Mr. Zalygin's secretary said he was out of the country and that no one else at the journal's offices could comment on the newspaper report or publication plans.

INSIDE TODAY

GENERAL NEWS

■ The speaker of the House said he was ready to fight for an increase in taxes to reduce the U.S. deficit. Page 3.

■ A New York biller bases his defense on a lover's confession that he had AIDS. Page 3.

WEEKEND

■ Richard Eyre, British National Theatre director, talks to Robert Cushman. Page 7.

SPORTS

■ Michael Jordan scored an NBA season-high 61 points for the Chicago Bulls. Page 17.

BUSINESS/FINANCE

■ West Germany's economy will grow 3 percent in 1987, the Kiel Institute predicted in a surprising report. Page 11.

■ Royal Dutch/Shell reported that fourth-quarter profit fell 12.8 percent. Page 13.



SNOW IN ISTANBUL — A woman walked through snow Thursday near Istanbul's Blue Mosque. The city was near a standstill in one of the worst snowstorms in years.

The Big Apple Caper: How to Steal a Cop

By William E. Geist
New York Times Service
NEW YORK — This is all grossly unfair, and was carefully planned that way.

Recruiting police officers has become quite competitive, and the Los Angeles County Sheriff's Department deliberately chose this week to recruit in New York, a time when the city is wet, damp and ugly and gripped by cabin fever and postnatal drip.

The Los Angeles Department set up a recruiting booth Tuesday at the John Jay College of Criminal Justice in midtown Manhattan and adorned it with posters of deputies patrolling Catalina Island in helicopters and Malibu Beach in dune buggies. "Tough duty," remarked a New York police officer, picking up some brochures.

A dominant theme in the recruiting campaign seems to be that nubile young women in swimsuits enjoy the same rights to police protection as other citizens.

"Cool uniforms!" said Noel Garcia, a student at John Jay, noting the T-shirts, shorts and sneakers. "Even if a New York cop got to patrol a beach, he'd probably have to wear a tie and shiny black shoes."

Sergeant Mike Grossman, a recruiter from Los Angeles, said that he had planned to wear the shorts and T-shirt uniform but that it was too cold in New York. "Cold?" said a man, blowing his nose. "We're getting out the lawn

furniture on a day like this." The high in New York on Tuesday was 45 degrees (7 degrees centigrade); in Los Angeles, 80 (26), but who's counting?

Hundreds of eager prospects — a sickly pale, most of them — swarmed around the booth. Some were in the uniforms of New York police officers and the transit police. "This looks awfully good when you poke your head up out of

Public service commercials for the department, which are to be shown throughout the country, were on a videocassette player. They looked for all the world like scenes from "Miami Vice," "Hawaii Five-O" or one of the countless police shows set in Los Angeles, depicting car chases, boat chases and helicopter rescues.

There were a few skeptics. "Do you really get to do all that stuff?" challenged Merault Almonor, a student, watching the video. "I'm used to propaganda. I saw an air force film once and I just yelled, 'Sign me up!' But a guy who was in the air force said it wasn't like 'Top Gun' at all. It was more like working in the kitchen."

Asked about salaries, Sergeant Grossman said the base starting salary for a high school graduate was \$26,800, "but the opportunity for overtime is tremendous, especially in the custody units," adding: "The county jail parking lot is filled with Mercedes and BMWs and Corvettes."

"I think I'll go out to Hollywood," said Mannel Velez, a transit officer. "The worst that can happen is I get a tan."

For First Time, Soviet Says Inflation Exists: 0.5% a Year

Agence France-Press
MOSCOW — Inflation in the Soviet Union has officially averaged 0.5 percent a year since 1970, according to the first official statistics to be published here.

The figures, reported in the Soviet press this week, imply the first official recognition that inflation exists, although the figure given appeared to observers to be low.

Western experts here put the actual average annual rate at around 3 percent. In the past, the prices of the staples have officially been described as unchanged.

The Moscow News, an English-language publication oriented toward foreign visitors and residents, quoted figures from the Central Statistical Office, reporting: "The price index rose between 1970 and 1986 by eight points, which means that prices rose on average by 0.5 percent per year."

The publication said that the increase was due mainly to higher prices for "luxury articles, much sought after fashion items, and alcoholic drinks."

It said that "recently, economists have been calling with increasing urgency for a readjustment of the price of meat, milk and of other subsidized products" so that they correspond to the cost of production. The article emphasized that the public pays less than half the cost of producing and distributing meat and milk.

The weekly did not discuss what had been described as "disguised inflation," that is, the development of cooperative commerce where prices are substantially higher than in state shops. In addition, the authorities have recently used a technique for increasing bread prices that has consisted of introducing new and better quality varieties at higher prices, while reducing the availability of older types.

ON PAGE 3

■ George P. Shultz disputes the Tower report's assessment of his role in the Iran affair.

■ The speech was big news in Western Europe. Tass said that it was full of contradictions.

■ Edwin Meese 3d moves to sidestep a North suit by appointing the special prosecutor to a "parallel position."

■ The Reagan administration begins to consider replacements for William H. Webster to be director of the FBI.

and isolated from the public for three months, and some listeners, he said, were probably thinking See REAGAN, Page 2

Despite Reagan Answers, Many Questions Remain

By David Hoffman
Washington Post Service
WASHINGTON — In his address on the Iran-contra affair, President Ronald Reagan ignored many questions raised by the Tower review board and largely blamed the board's verdict of failure in his White House on the actions of sub-

ordinates whom he did not name. The president did not acknowledge or address one of the chief findings of the Tower panel: that the national security advisers, Robert C. McFarlane and Rear Admiral John M. Poindexter and their aide, Lieutenant Colonel Oliver L. North, secretly managed the guerrilla war against Nicaragua at a time when Congress had cut off military aid to the rebels, who are also known as contras.

Mr. Reagan also ignored the board's disclosures that his top aides scrambled to cover up details of the Iran policy after it became public in early November and the fact that he made misleading statements in his early comments to the public based in part on the wrong information his aides provided.

The president said he had been "silent" on the unfolding scandal "for the last three months" because "you deserved the truth."

But the affair is already four months old, and it was during its first month, November, that he made the misleading statements.

Mr. Reagan portrayed himself as a president who had the right intentions but did not always ensure that they were being followed by aides who contributed to the crisis by failing to keep "proper records of meetings or decisions," who created "secret bank accounts and diverted funds" and "took actions without my knowledge."

In his speech, Mr. Reagan never mentioned his former National Security Council staff by name. But his remarks carried the implication that it was lieutenants such as Colonel North and Admiral Poindexter who created much of the trouble.

Mr. Reagan said he had told the current National Security Council staff that "there'll be no more free-lancing by individuals when it comes to our national security."

In November, Mr. Reagan described Colonel North as a "national hero," but on Wednesday night he used language such as "angry" and "personally distasteful" and "disappointed" to describe the activities of his former aides.

The Tower board was highly critical of Donald T. Reagan, the former White House chief of staff. The report said Mr. Reagan "must bear primary responsibility for the chaos that descended upon the White House" when the Iran policy became public.

However, Mr. Reagan, who was reluctant to let go of his chief of staff, did not address this criticism Wednesday night.

The president did ascribe one mistake to himself: He said he had been too worried about the American hostages being held in Lebanon and acknowledged for the first time that he wound up trading arms to Iran to win their freedom.

Mr. Reagan cast his own mistake as one of neglect, rather than one made with full knowledge of what he was doing. In explaining the See BLAME, Page 2

Pollard Case Hits Home In Israel

By Thomas L. Friedman
New York Times Service
JERUSALEM — The sentencing of Jonathan Jay Pollard by a Washington court to life imprisonment for spying for Israel appeared Thursday to have awakened the Israeli public and government to the full human and diplomatic implications of the espionage affair.

Since the Pollard case broke in November 1985, the Israeli government has tried to brush it aside and minimize its impact on American-Israeli relations. The Israeli public, for the most part, treated the Pollard case as a distant story of diplomatic intrigue.

Most Israelis seemed to unquestionably accept their government's assertions that the Pollard affair was a "rogue" operation run by a few adventurist Israeli officials and, while wrong, reflected the reality that all governments spy on one another.

But in the last day, Israeli attitudes toward the Pollard affair have palpably shifted. The change began Wednesday night when Israeli Television aired a special news documentary on the Pollard case, filmed a few weeks ago, starring Mr. Pollard's convicted wife, Anne Henderson-Pollard.

Mrs. Pollard recounted and re-created for Israel Television how she and her husband engaged in espionage on behalf of the Israeli government. She spoke of meetings with Israeli Embassy officials and the Pollards' deep desire to help the state of Israel.

At the end of the program, she broke down, weeping into the camera about how devastated she and her husband felt at being abandoned by the country they had risked everything to help. It was the first time that the Pollards, as individuals, had ever really been introduced to the Israeli public in such a compelling manner.

Then, a few hours later, Israelis awoke to find banner headlines in their morning newspapers announcing that Jonathan Pollard had been sentenced Wednesday in Washington to life in prison and his wife to five years. Suddenly the affair was no longer an abstract story of diplomatic intrigue. For the first time, Israelis See SPY, Page 6

Nairobi Court Presenting 'Ruby Ripoff, Part II,' a Drama of Cops and/or Robbers

By Blaine Harden
Washington Post Service

NAIROBI — It was around midnight at the ruby mine when a Kenyan police inspector named Nguru ordered his men to begin looting.

"Today is the day of digging and carrying away the white man's stones," ordered Inspector Nguru, according to testimony in a Nairobi court. "If you are a Christian, throw your God away and prepare for the digging."

Constable Ibrahim Kisutuya, one of seven policemen at the ruby mine that night, recounted the words of his superior officer in court in Nairobi, adding that he and other junior officers did as they were told.

Thus began what officials at the U.S. Embassy in Kenya are calling "Ruby Ripoff, Part II." The ruby mine in question, one of the richest in the world, is owned by Elliot W. Miller, a U.S. geologist and investor.

The alleged looting of his mine has been dubbed "Part II" because it is the second time since 1974 that Kenyan officials have been accused of helping themselves to hundreds of thousands of dollars' worth of Mr. Miller's pale red gems.

In the case now before a court, ruby ore worth \$1.5 million is said to have been looted from the mine during three weeks in the summer of 1984.

Witnesses and suspected looters have testified that the theft of 26 tons of ruby ore was done with the encouragement and participation of Kenyan police who were supposed to be guarding the mine.

One witness, Lawrence Nganga Mbugua, said he was drinking in a bar one afternoon when a Kenyan policeman came in and invited him to buy gunnysacks full of ruby ore at \$20 each. The witness said he and 50 other buyers recruited in the bar followed the policeman's directions and went to the mine at midnight on June 13, 1984, to buy the stones.

The case, in which Mr. Miller is seeking \$1.5 million and the return of his rubies from the Kenyan government, may well prove as embarrassing to Kenya as was the original ruby theft.

That incident took place in 1974, during the presidency of Jomo Kenyatta. Several powerful Kenyans of the day, including Mr. Kenyatta's wife, Mama Ngina, illegally took the mine away from Mr. Miller and an American partner. The two Americans were expelled from Kenya and President Kenyatta publicly called one of them a "hyena."

The seizure of the mine caused storms of protest from the U.S. Embassy in Kenya and soiled this East African country's reputation with foreign investors. After some

years of reflection, Kenya's government reconsidered. It took the mine away from the Kenyans who had seized it illegally and offered Mr. Miller \$1.8 million in compensation for his losses.

In 1979, Mr. Miller came back to Kenya. He cannot speak to the press during the trial, but his lawyer, Byron Georgiadis, said that Mr. Miller, 48, returned to Kenya because he is an optimist.

Five years after his return, having invested \$600,000 in machinery and labor, Mr. Miller was ready to begin exporting rubies. His mine is situated in a corner of a Kenyan national park called Tsavo West.

Surrounded by scrub trees and herds of antelope, the Tsavo ruby mine sits atop a reef of corundum, the mineral that bears rubies. While the rubies are not highest quality, they are abundant and easily mined. One early estimate valued known deposits at \$5 million.

The current ruby case began in March 1984, according to court testimony, when Mr. Miller was inspecting his mine and a wall of earth fell on him. He was hospitalized for several weeks. When he returned to the mine in June, he discovered that his neighbor, a miner named J.K. Gitonga, had dug a tunnel.

"While Miller was away, Mr. Gitonga made a tunnel that hit Miller's reef of ruby corundum and Gitonga

started nibbling away at it," said Mr. Georgiadis, Mr. Miller's lawyer.

Kenyan law prescribes three years in prison for such trespassing, and Mr. Miller immediately complained to the office of the commissioner of mines. Twelve days later, Mr. Miller was pleased to see E.W. Mwanuzi, Kenya's minister for environment and natural resources, arrive at his mine, along with several mine commission officials and a senior police officer.

The minister ordered a police guard over the area, pending a survey to see what land belonged to Mr. Miller and what to Mr. Gitonga.

That was when the ruby ore began to disappear, according to court testimony. Mr. Miller was also barred from his own mine.

Before he could persuade the minister to order the police out, he alleges, six truckloads of processed ruby ore disappeared.

When Mr. Miller finally was allowed back into his mine, he testified that only 5 of 31 tons of processed ruby ore remained. Working with what the Kenyan police had left him, Mr. Miller processed those five tons of ore into 10 bags of ruby gemstones.

The rubies, however, went the way of his ruby ore. He

packed them on Oct. 4, 1984, loaded them in his car and was heading toward the town of Atiri River, where he had planned to lock them in a safe. He took along an armed park ranger for security.

On the way, a carload of police stopped Mr. Miller, took him to police headquarters in Nairobi, questioned and released him. But they kept the stones.

Police in Nairobi later gave Mr. Miller's lawyer a receipt for the rubies. According to evidence presented in court, the only explanation the police have offered for the seizure is that they were acting on the orders of Kenya's police commissioner.

The Kenyan government has not yet presented its defense in court. But in documents outlining the government's case, state counsel Ole Keiwa denies the existence of the missing ruby ore.

In his examination of Mr. Miller, Mr. Keiwa asked the mine owner why, since his mine has so many valuable rubies, he stopped all digging after the alleged looting in the summer of 1984.

"I stopped mining," Mr. Miller answered, "because I came to the conclusion I was mining on behalf of the commissioner of police."

In South China, Money Talks

Anti-Western Drive Loses Steam as It Nears Hong Kong

By Edward A. Gargan
New York Times Service

GUANGZHOU, China — Here in southern China, the frigid political gale from Beijing seems little more than a faint breeze, dissipated in a climate of brazen money making, spirited discussion and fashions that shout Hong Kong chic.

Relentlessly, national newspapers rail against the evils of Westernization, the political sins of making and spending money and the pollution of ideas from the likes of Sartre and Freud.

But in the city of Guangzhou, and in Shenzhen, down the Pearl River and only about 100 miles (160 kilometers) from Hong Kong, there are few signs that the political campaign against "bourgeois liberalization" means very much. There are even fewer signs that the country's new economic policies will still here.

The surrounding province of Guangdong "is a place that has been opened to the West earlier than the rest of China," said Li Zuoxing, the deputy editor of Yangcheng Evening News.

"These things came earlier," he said. "A lot of people here have relatives in the outside world. People here pay attention to the outside world."

"Every place is different," he

continued. "Every place has its own historical background. The people here are more open to the outside world, more relaxed. In history, our people were more like this."

Both Guangzhou and Shenzhen, a so-called Special Economic Zone created to attract foreign investment, are at the heart of the economic policies devised by Deng Xiaoping, the principal Chinese leader, to invigorate the country's economy. Western and Japanese management practices are spreading, and the government is loosening its grip on economic activity.

On People's Avenue in Guangzhou, young men in tidy jackets and ties and women in crisp pastel cotton suits with subtle padded shoulders dart along the sidewalks to their offices. Restaurants, both private and city-owned, swell with lunchtime crowds and entrepreneurs flash their Great Wall credit cards with the deftness of a New York banker on an expense account lunch.

"Each year since 1979, private enterprise has jumped," said Liu Xingya, who heads the Guangzhou Individual Labor Association, a group formed to protect the interests of private shopowners and

businessmen. "Private enterprise is more flexible than state enterprise. It's scattered in every part of the city. Private enterprise provides more small business, more service."

There are, Mr. Lin estimates, 150,000 residents engaged in some sort of private business, from the Changxin Fashion Shop with 40 employees to individuals who repair shoes on street corners.

The surge of private business has lent Guangzhou, a city of three million with a free-wheeling character that contrasts markedly with Beijing's bureaucratic stodginess. It has also helped to insulate the city and much of southern China, at least so far, from the political campaign against Western ways.

A Western diplomat in Guangzhou argued that the desire of Chinese leaders not to upset Hong Kong, for fear that investors will pack up and leave, is a shield hoisted by southern China.

"The south is using Hong Kong to fend off the north, to protect themselves from Beijing," the diplomat said. "If things get out of hand in Beijing and Hong Kong starts to get nervous, the south sure points this out to the north. No body wants to upset Hong Kong. And they save themselves in the process."



He Ben, owner of a shoe factory in Guangzhou, China, supervises one of his 18 employees. Mr. He started the shop in 1982, and it now produces about 20,000 pairs of shoes a year. The factory building also serves as the He family home and as a dormitory for the workers.

Despite the confidence exuded by many southerners, there remain limits on expression. In Shenzhen, a city that sprang from rice paddies in the last eight years, city officials

closed the popular newspaper, Shenzhen Youth Herald, for, among other things, calling for the retirement of Mr. Deng, 82. "The Youth Herald went against

the aims of the party and went against the socialist road," said Zou Erkang, a deputy mayor of Shenzhen. "It did not play the role it should play."

Among the Contras, a Sense of Family Loyalty

By James LeMoyné
New York Times Service

LAS AMAKAS, Nicaragua — As his troops prepared to patrol the jungle valley below their base camp inside Nicaragua, a top guerrilla field commander spoke of the seven years of war and revolution that he and many of his men had shared.

"War is hard and it changes you," said Renato, the commander of the rebel unit that a reporter traveled with here. "We have all suffered and we all know each other from years together."

Renato's account and those of several of his men provided a rare look at the mentality of the American-backed army of guerrillas who are known as contras, offering insights into how they view their movement, their commanders and their relationship with rebel civilian officials.

The accounts show that they have become more politically homogeneous and tightly knit than some outside analysts have suggested, growing from their origins as a small army organized by the U.S. Central Intelligence Agency into a large movement, known as the Nicaraguan Democratic Force.

The contras' close bonds and their highly personal relationship with their commanders indicate that they may be less open to outside

influence than U.S. State Department officials, leading members of Congress and rebel civilian officials who are trying to reorganize the contras have suggested.

Renato commands a veteran guerrilla battalion known as the San Jacinto Regional Task Force. Most of these young men say they have left their relatives behind in Nicaragua, making their rebel unit the only family they have. Renato and his men spoke of having survived years of adversity, combat and the loss of friends in battle, mainly by relying on one another.

They made it clear that they consider the Nicaraguan Democratic Force to be the most authentic rebel opposition movement and that they intend to defend it against both rival rebel officials and the Sandinist army.

"We fought on the Atlantic coast and in the departments of Madriz, Boaco, Chontales and Jinotega, marching and fighting for the last four years," said one of Renato's sub-commanders, who gave his name as Saul.

"Two of my best friends died in my arms after an ambush in Chontales in 1984," Saul added. "It's hard, it gets to you. But we are all committed to this. We have made this army march."

The rebels appear to live on a diet of rice,

beans and river water, hoisting heavy packs and weapons over narrow mountain trails and marching for days at a time.

The guerrillas are aware of charges that they are dominated by former members of the Nicaraguan National Guard, the army that served Anastasio Somoza, the dictator who was overthrown by the Sandinists.

But among the contras, membership in the National Guard appears to hold little or no stigma. Renato spoke openly of his years as a National Guard lieutenant and the brutal fighting he was part of in the city of Lobo in 1979 before fleeing across the Honduran border with a handful of his troops to escape the Sandinists.

Those few rebels who are "founders" of the Nicaraguan Democratic Force, known in Nicaragua as the FDN, appear to hold special status. Renato is a founder. He says he joined the first small band of former National Guard rebels in 1980 and subsequently helped form the guerrilla army.

When told that critics assert that the former National Guardsmen are politically unpopular and do not deserve American support, Renato replied, "We are also Nicaraguans and we have the right to seek the well-being of our people."

REAGAN: He Admits 'Mistake,' Takes Responsibility

(Continued from Page 1)

that he was "hiding out in the White House."

The reason for his silence, he said, was his reluctance to come forward with "heavily reported" and "thus create 'even more doubt and confusion' in the public mind."

"I've paid a price for my silence in terms of your trust and confidence," he said.

The latest New York Times-CBS News Poll backed up that point, showing that his public approval rating had dropped to its lowest point in four years and that half the people believe Mr. Reagan was lying when he said he could not remember when he approved the arms transaction.

Mr. Reagan praised the Tower panel for its report and acknowledged somewhat ruefully that he "had to hunt pretty hard to find any good news" in it. "I've studied the board's report," he said. "Its findings are honest, convincing, and highly critical, and I accept them." He summarized his reaction this way:

"First, let me say I take full responsibility for my own actions and for those of my administration. As angry as I may be about activities undertaken without my knowledge, I am still accountable for those actions.

"As disappointed as I may be in

some who served me, I am still the one who must answer to the American people for this behavior. And as personally distasteful as I find secret bank accounts and diverted funds, as the navy would say, this happened on my watch."

In describing what he called the most controversial element of the Iran affair, Mr. Reagan mentioned that he had previously insisted that he did not "trade arms for hostages."

"My heart and my best intentions still tell me that is true," he said, "but the facts and the evidence tell me it is not."

Mr. Reagan also acknowledged another major finding of the Tower board, that his strongly felt emotions about the fate of American hostages in the Middle East had colored his judgment and blinded him to the risks of his policy.

As he noted, "I let my personal concern for the hostages spill over into the geopolitical strategy of reaching out to Iran."

The speech capped days of intense activity in the White House following the release of the Tower report. The report depicted Mr. Reagan as an uninformed and uninvolved leader who failed to exert proper control over the Iran-contra affair.

He has since tried to convey an impression of aggressive attentiveness to the details of government.

BLAME: Many Questions Remain

(Continued from Page 1)

Mr. Reagan. The president later acknowledged to the Tower board that "I let myself be influenced by others' recollections."

Faced with the Tower panel's criticism of his "management style" of delegating authority, Mr. Reagan defended it broadly, saying it had worked successfully during eight years as California governor and for "most of my presidency."

In his address, Mr. Reagan seemed to embrace the Tower board's criticism that people — not the national security decision-making process — failed.

Mr. Reagan celebrated the "accomplished and highly respected new team" he has brought in, taking pains to praise Howard H. Baker Jr., the chief of staff; Frank C. Cartwright, the national security adviser; and William H. Webster, his nominee to head the Central Intelligence Agency.

The president did not, however, offer dramatic remedies in response to the Iran-contra debacle. He said he is "adopting in total" the Tower board's "model of how the NSC process and staff should work."

In fact, from Nov. 6 through Nov. 19, Mr. Reagan offered a series of sketchy and erroneous statements, which would then have to be corrected, creating even more doubt and confusion."

In fact, from Nov. 6 through Nov. 19, Mr. Reagan offered a series of sketchy and erroneous statements, which would then have to be corrected, creating even more doubt and confusion."

He added: "I felt it was improper to come to you with sketchy reports, or possibly even erroneous statements, which would then have to be corrected, creating even more doubt and confusion."

The Tower board told a different story. It said Mr. Reagan changed his story on whether he approved the first arms sale after talking with

Writers of Constitution Surprise Haiti's Skeptics

By Joseph B. Treaster
New York Times Service

PORT-AU-PRINCE, Haiti — When elections were held in October for a constituent assembly to write a new constitution for Haiti, the prevailing sentiments were indifference and skepticism. Few people voted.

Haiti had already had more than 20 constitutions, most of them ineffective, including five promulgated during the nearly 30 years of rule by the Duvalier family.

But as it nears completion of its work the 60-member assembly has astounded the nation and captured its respect. Rather than being the rubber stamp of the provisional government of Lieutenant General Henri Namphy that many Haitians had expected, the assembly has proved to be independent, nationalistic and unpredictable.

It has demonstrated an unrelenting desire to keep the country from

slipping back into the grip of despots like the Duvaliers and most of the others who have ruled Haiti since independence from France 183 years ago.

"We have to take the teeth from the presidency," said a member of the assembly, Dr. Louis Roy, 71. "So when the president bites, he won't bite so hard."

The assembly is supposed to finish its work by Tuesday. A referendum will be held March 29 in which the document is to be subject to a "yes" or "no" vote.

Haiti could continue without a constitution as it has since the fall of President Jean-Claude Duvalier on Feb. 7, 1986. But failure to adopt a constitution would be a blow to the establishment of democracy and would leave unanswered the question of who would conduct the presidential elections scheduled for November.

The assembly has devised a form of government in which power would be shared by a president, a prime minister, a senate and a house of representatives.

The constitution further disperses authority by strengthening local government, reduces the monolithic force available to a president by ending Haiti's long tradition of a combined military and police force and creates a commission for running elections.

Touching widely on various aspects of Haitian life, the constitution's authors are also proposing that the universally spoken Creole language be given official status along with French and that the long ignored official sanctions against voodoo be eliminated.

When it convened in December, the assembly was presented with a draft constitution formulated by the provisional government.

One article in the draft that had particularly incensed the assembly and was immediately revised, according to several members, would have made it impossible for the thousands of Haitians who fled the country during the Duvalier era to run for president.

The draft constitution eliminated the death penalty except in the case of high treason, but it failed to define the offense. The assembly, prompted by memories of the Duvaliers, determined that besides taking up arms against the government, it was treasonous for state employees to steal from the state or for those entrusted with enforcing the constitution to violate it.

Venting years of anger over the requirement that Haitians wishing to travel to the United States must obtain a visa, the assembly voted to require visas of American visitors to Haiti. It backed down, however, after a chorus of howls went up from hotel and tour operators who were already having trouble attracting customers.

Whether the constitution is ultimately adopted depends to a great extent on the Roman Catholic Church. Haiti's only viable institution other than the army and a handful of civilian politicians.

WORLD BRIEFS

French Try New Treatment for AIDS

PARIS (AFP) — A French anti-AIDS unit has been injecting fresh white blood cells from healthy donors into patients suffering from acquired immune deficiency syndrome in an effort to strengthen resistance to other diseases, it was learned Thursday.

Heading the team is Professor Michel Boiron, in charge of hematology at Saint Louis Hospital in Paris. He said that the transfusions were from donors of identical blood groups to the patients, so there would be minimal risks of the white cells being rejected.

"In some respects," he said, "it is an effort to reconstruct a partial immunity among patients whose immune system has broken down." But Professor Boiron stressed that the transfusions, which have been carried out for the past two years, concerned only a very limited number of patients and it was too early to come to any conclusions on their effectiveness.

Turkey Strikes Rebel Bases in Iraq

ANKARA (AFP) — About 100 Kurdish separatist guerrillas were killed and 100 others were wounded Wednesday in a Turkish air raid in Iraq, the Turkish press reported Thursday. There was no confirmation of the casualty figures from the Turkish government.

A government spokesman said Wednesday that 30 Turkish planes had attacked Kurdish camps near the northern Iraq towns of Sirat, Esa and Aramis, near the Turkish border. The spokesman said that the Turkish air strike, the third in Iraq since 1983, had been conducted with the consent of the Iraqi government.

Turkish troops have been carrying out operations against guerrillas of the banned Kurdish Workers Party in southeastern Turkey since a rebel attack Feb. 22 on a Turkish village in the province of Hakkari. Fourteen people were killed.

Hospital in N.Y. Bars Warhol's Nurse

NEW YORK (NYT) — The private nurse who was assigned to Andy Warhol when he died last month will no longer be permitted to care for patients at New York Hospital-Cornell Medical Center in Manhattan, the hospital said.

Hospital officials refused to explain why they had taken the action, although they said Wednesday that their review of the case had raised questions about the nurse's performance.

Separately, the New York State Health Department said it was investigating whether any action could have or should have been taken to prevent the artist's death at the hospital Feb. 22, a day after he underwent gall bladder surgery. The hospital has said that his condition was stable after the operation, but he suffered a heart attack while he slept.

Cardinal Drops Manila Political Role

MANILA (Reuters) — Cardinal Jaime L. Sin, a key figure in the movement that deposed President Ferdinand E. Marcos in February 1986, said Thursday that he was giving up a direct role in politics, but would issue guidelines to Roman Catholic priests on the coming Philippine elections.

"Today, the repression is gone," Cardinal Sin said. "Freedom of speech and freedom of the press are back with us. There is no impediment standing in the way of the laymen in their task of restoring the temporal order."

Cardinal Sin, 59, called for the mass sit-ins by Catholics that led to the presidency of Corazon C. Aquino.

Paris Police Find Explosives, Hold 7

PARIS (Reuters) — The French police have found weapons and explosives stored in a basement in Paris and have arrested seven Middle East nationals, the Interior Ministry said Thursday.

A ministry official said that police officers found 16 kilograms (35 pounds) of explosives, two submachine guns and a pistol. The French capital has been hit by attacks after the conviction last week of Georges Ibrahim Abdallah, a Lebanese extremist. Police sources said that those arrested were all Lebanese, but officials refused to say if they suspected a link with Mr. Abdallah, who was sentenced Saturday to life in prison for complicity in two murders and one assassination attempt.

France Indicts 2 in Terrorist Killing

PARIS (AFP) — Two leaders of the extreme-left Direct Action terrorist group, Nathalie Menigon, 29, and Joelle Aubron, 27, were indicted on murder charges Thursday in Paris.

The two other members of the gang arrested Feb. 21, Jean-Marc Rouillan, 34, and Georges Cipriani, 35, were indicted on charges of complicity in the murder of Georges Besse. The president of the Renault automobile corporation, he was shot dead in Paris on Nov. 17. Three witnesses said last week that they saw Miss Aubron open fire on Mr. Besse while Miss Menigon kept a lookout nearby.

French investigators are seeking to prove that the four Direct Action members were also involved in the assassination of General René Audran, a Defense Ministry official, near Paris on Jan. 25, 1985. The terrorist group claimed responsibility for both murders.

Reagan Moves to Free Aid for Contras

WASHINGTON (UPI) — President Ronald Reagan acted Thursday to release a \$40 million installment of \$100 million in aid for the Nicaraguan rebels.

Mr. Reagan, in a memorandum that accompanied a report to Congress on the situation in Central America over the past two months, asserted that "there is no reasonable prospect of achieving a settlement without continued military pressure from the rebels, known as contras."

Under terms of the contra aid appropriation last year, the last installment of aid was conditioned on a presidential certification that efforts to resolve the turmoil in Nicaragua through negotiations and other peaceful means had failed. Under terms set at the time the latest aid package was approved, Congress has under two weeks to pass a resolution of disapproval, which would be a certain candidate for a Reagan veto.

Travel Update

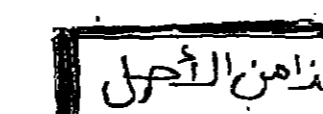
That International will begin flying to Auckland in December, and Air New Zealand has won the right to fly to Europe through Bangkok, New Zealand officials said Thursday in Wellington. (Reuters)

Correction

The People column of Feb. 26 incorrectly described legal proceedings against Norma Kamali, the New York fashion designer. She was fined for having allowed workers to produce garments in their homes without permits, not for having employed sweatshop workers.

UNIVERSITY DEGREE
BACHELOR'S • MASTER'S • DOCTORATE
For Work, Academic, Life Experiences.
Send detailed resume for free evaluation.
PACIFIC WESTERN UNIVERSITY
400 N. Sausalito Blvd.,
Los Angeles, California
90049, Dept. 23, U.S.A.

Harry's New York Bar
Est. 1911
"the Birth place of the Bloody Mary"
Just tell the taxi driver "sank roo doe noo"
THE OLDEST COCKTAIL BAR IN EUROPE™
• 5 Rue Daunou, PARIS
• Falkenturm Str. 9, MUNICH



ibbers... loaded them in his car... since stopped Mr. Miller... Mr. Miller's lawyer... I has not yet presented... RIEFS... ment for AIDS... Bases in Iraq... Warhol's Name... Political Role... Activists Held... Terrorist Killings... Aid for Cancer

Wright Set To Fight for Tax Rise to Curb Deficit

By Jonathan Fuerbringer
New York Times Service
WASHINGTON — Representative Jim Wright, the speaker of the House, has told Democrats on the Budget Committee that he is ready to fight for a tax increase this year to reduce the U.S. deficit even though President Ronald Reagan is expected to oppose higher taxes.

According to committee members, Mr. Wright said Wednesday that he expected his proposed tax increase to be about \$20 billion a year, which would make it account for half of the \$40 billion deficit-reducing package the committee is trying to assemble.

The commitment from the speaker, who has been suggesting ideas for tax increases for several months, reflects his willingness to push his party toward approval of new revenue to reduce the deficit. Committee members said that the Texas Democrat made his declaration in an hour-long closed session Wednesday.

While Mr. Wright's support does not assure approval of a tax increase, it is the first step toward changing the policy of the majority party in the House. For the last several years, Democrats have been unwilling to consider tax increases if the president opposed them.

Another committee member said, "There's no question the speaker has decided that we cannot hang back any longer on taxes." This is the first time that Mr. Wright has said unequivocally that he is willing to fight for a tax increase to balance the budget.

Even with a tax increase, Democrats have already acknowledged they are unlikely to reduce the deficit for fiscal 1988 to \$108 billion, the figure required by the 1985 budget balancing law. To comply with the law, budget cuts and new revenue would have to total \$62 billion, an amount considered politically unrealistic.

Mr. Wright's support does not assure approval of a tax increase, it is the first step toward changing the policy of the majority party in the House.

WASHINGTON — A photograph on the cover of the current issue of The Foreign Service Journal shows a readable copy of one of the U.S. government's most sensitive intelligence documents, according to government officials.

WASHINGTON — Worldwide production of heroin, cocaine and marijuana increased significantly last year, despite U.S. enforcement efforts that included nearly \$60 million in drug enforcement assistance to supplier countries, according to a State Department report.



President Ronald Reagan delivering his televised address on the Iran-contra affair.

Meese Moves to Sidestep North's Suit

He Names Walsh to 'Parallel Position' as Investigator

WASHINGTON — Attorney General Edwin Meese 3d appointed the special prosecutor in the Iran-contra affair, Lawrence E. Walsh, to an identical position Thursday in an attempt to sidestep legal challenges to the investigation.

Mr. Meese announced that the Justice Department had joined a move by Mr. Walsh to throw out Lieutenant Colonel Oliver L. North's constitutional challenge of the independent counsel law.

Colonel North, the former National Security Council official who has filed a suit to try to halt Mr. Walsh's criminal investigation of the affair, had challenged the independent counsel clause of the 1978 Ethics in Government Act.

Mr. Meese said that Mr. Walsh is not stepping down from his other post of independent counsel, to which he was appointed by a special three-judge panel.

WASHINGTON — West European news organizations portrayed President Ronald Reagan's speech as an admission that he had blundered over arms sales to Iran, and the official Soviet news agency said Thursday that the address was full of contradictions.

WASHINGTON — A photograph on the cover of the current issue of The Foreign Service Journal shows a readable copy of one of the U.S. government's most sensitive intelligence documents, according to government officials.

WASHINGTON — Worldwide production of heroin, cocaine and marijuana increased significantly last year, despite U.S. enforcement efforts that included nearly \$60 million in drug enforcement assistance to supplier countries, according to a State Department report.

President Has Started Search for FBI Director

By Mary Thornton and Dusko Doder
Washington Post Service
WASHINGTON — The Reagan administration has begun to consider possible replacements for William H. Webster, the director of the Federal Bureau of Investigation, who was nominated Tuesday to head the Central Intelligence Agency.

Administration sources said Wednesday night that although several names have been mentioned as possibilities, no choices have been made and none of the potential candidates has been contacted.

A favorite at the Justice Department is U.S. District Judge D. Lowell Jensen, 58, of San Francisco, who was deputy attorney general before being named to the bench in July. Judge Jensen, a Democrat, was a longtime prosecutor in Oakland, California, and has worked closely with Attorney General Edwin Meese 3d for many years.

Other possibilities mentioned included John Simpson, head of the Secret Service; Associate Attorney General Stephen Trotter; Rudolph W. Giuliani, the U.S. attorney in Manhattan; and Joseph E. diGenova, the U.S. attorney for the District of Columbia.

One name raised by some administration conservatives is William Lucas, 58, a Michigan Republican who tried unsuccessfully last year to become the nation's first black governor. Mr. Lucas, a former county executive and sheriff in Wayne County, Michigan, spent more than four years as an FBI agent in the mid-1960s.



William Lucas

Sources said that Mr. Lucas, a former Democrat who switched parties in 1985, is backed by Vice President George Bush, former President Gerald R. Ford and former Senator Paul Laxalt, Republican of Nevada.

Mr. Meese said at a congressional hearing Wednesday that the new FBI director should not be picked "on the basis of past political involvement," should not be a close ally of the president, and "should be capable of being confirmed rather quickly."

Under questioning by the chairman of the Senate Judiciary Committee, Joseph R. Biden Jr., Democrat of Delaware, Mr. Meese said he discussed the succession issue Wednesday with Mr. Webster, who he said would "actively participate" in the search for a replacement.

Mr. Webster, the FBI director for nine years, spoke to reporters after a brief meeting Wednesday during which he told President Ronald Reagan that he intended "to do the best job I can" in restoring CIA morale and imposing tighter supervision on the entire U.S. intelligence community.

Mr. Meese said that Mr. Lucas, a former county executive and sheriff in Wayne County, Michigan, spent more than four years as an FBI agent in the mid-1960s.

Shultz Disputes Charges Of Role in Iran Affair

By William Drozdiak
Washington Post Service
SHANGHAI — Secretary of State George P. Shultz disputed on Thursday the Tower commission's assessment of his role in the Iran-contra affair and denied that he sought to insulate himself from any knowledge of the affair to protect his integrity.

In an interview published Wednesday in the United States, Defense Secretary Caspar W. Weinberger also denounced the report's criticisms of his role.

The three-man commission, headed by John G. Tower, a former Republican senator from Texas, concluded that Mr. Shultz and Mr. Weinberger "in particular distanced themselves from the march of events."

Secretary Shultz specifically requested to be informed only as necessary to perform his job, the report said. "They simply distanced themselves from the program. They protected the record as to their own positions on this issue. They were not energetic in attempting to protect the president."

Mr. Shultz, making his first response to the report, said at a news conference: "I do not agree that my actions were designed somehow or other to make a record to protect myself. I don't operate that way."

Mr. Shultz said that there was "a lot of concern about leaks and even lie detector tests" at the time of the secret dealings with Iran. "I took the position that I wanted to know what I needed to know and the department should know what it needed to know to do our job," he added.

As supporting evidence, Mr. Shultz noted that the Tower commission report said that there were "innumerable instances when the NSC staff people went out of their way to see to it that something did not come to my attention."

He said that, as far as he knows, Mr. Reagan still wants him to continue in his post.

Mr. Weinberger Rebuttal
Mr. Weinberger, in an interview in The Sun of Baltimore, said that the commission's assertion that he and Mr. Shultz sat passively was "unjustified and unwarranted and not supported by any evidence."

New York Killer's Defense: His Lover Had AIDS

By Philip S. Gutis
New York Times Service
HEMPSTEAD, New York — In a seven-page handwritten confession, Lorenzo D. Owens, a 19-year-old homeless man charged with murdering a friend here last year, repeats one phrase several times: "I couldn't believe what he was saying."

Mr. Owens was referring to Kenneth Grice, 22, who was killed in his home April 20. According to Mr. Owens' account, what Mr. Grice had said, right after the two men had sex, was that he had AIDS.

The lawyer representing Mr. Owens, John R. Lewis, said it was those words, and the timing of the admission, that drove him to kill his friend.

Mr. Lewis said, "He killed that man in a fit of extreme emotional distress, which was caused by the revelation that Mr. Grice had AIDS."

Acquired immune deficiency syndrome cripples the immune system, leaving victims susceptible to infections and cancers. AIDS is caused by a virus that spreads through sexual intercourse with an infected person or exchanges of blood, as in shared hypodermic needles.

The case, which Mr. Lewis and the prosecutor, William J. Dempsey, expect to go to trial in Nassau County Court this month, is being watched by legal organizations that represent people with AIDS.

Some legal experts said that, under some circumstances, knowingly transmitting a contagious disease could be considered a crime under assault and homicide laws. While homosexual-rights advocates said

U.K. to Permit Sale of AZT, Drug To Treat AIDS

International Herald Tribune
LONDON — Wellcome PLC, the London-based pharmaceutical company, said Thursday that it planned to sell an anti-AIDS drug, AZT, in Britain by early May.

The government approved Wednesday the company's request to market the drug zidovudine, which prolongs the lives of some AIDS victims, under the name Retrovir. AIDS, or acquired immunodeficiency syndrome, is a viral disease that cripples the body's immunity system.

Britain is the first nation to approve the marketing of a specific drug for AIDS treatment. Sale of the drug here, however, has been restricted to those suffering "serious manifestations" of the disease.

Retrovir, which acts to contain the reproduction of the AIDS virus, will be among the most expensive drugs ever offered, at an estimated annual cost to the patient of between \$8,000 and \$10,000.

The drug is known to have side effects often leading to anemia.

U.S. Judge Rules 'Secular Humanism' Is a Religion

By Barbara Vobejda
Washington Post Service
WASHINGTON — A federal judge in Mobile, Alabama, has banned more than 40 textbooks from the Alabama public school system because he said they promoted the "religion" of "secular humanism."

U.S. District Court Judge W. Brevard Hand ruled Wednesday that the social studies, history and home economics texts must be stricken from the state's list of acceptable textbooks.

The books banned are generally conventional classroom texts, including series by Rand McNally and Laidlaw, among other publishers.

In declaring the philosophy known as secular humanism a religion, Judge Hand wrote that the constitutional prohibition against establishment of a religion "is not implicated by mere coincidence of ideas with religious tenets. Rather, there must be a systematic promotion of a belief system as a whole. The facts showed that the state of Alabama has on its state textbook list certain volumes that are being

used by school systems in this state, which engage in such promotions." The decision is the first in a federal court to support the long-standing claim by fundamentalist Christian parents that secular humanism is a religion being taught in public schools.

The decision will not affect schools outside the state. In declaring secular humanism a religion, Judge Hand cited humanistic tenets that define the nature of man and the universe and its goals for human existence.

He also noted that some humanism organizations proselytize and issue publications. "The most important belief of this religion is its denial of the transcendent and/or supernatural: there is no God, no creator, no divinity," Judge Hand said in his ruling.

Humanism, which has its roots in classical Greek literature, is defined in the dictionary as a human-centered movement based on the belief that people can live ethically without recourse to the supernatural. The ruling stems from a chal-

enge by more than 600 Christian fundamentalist parents who charged that the Mobile County schools were using textbooks that promote humanism and exclude facts about Christianity and other traditional faiths.

They said the books violated the First Amendment by interfering with their right to freely exercise their religion and by promoting what they said was the religion of humanism.

"Humanism is out of the closet now," said Robert Shering, attorney for the parents. He said the ruling was "as far-reaching as any decision in the last 30 or 40 years" because it tackled head-on the question of whether secular humanism is a religion.

The Alabama State Board of Education and a dozen parents who intervened on behalf of the board defended the books, arguing that secular humanism is not a religion and that the textbooks do not interfere with the rights of the plaintiffs.

"We're astounded that a judge found the ideas in these textbooks to be unconstitutional," said Mary Weidler, executive director of the Alabama Civil Liberties Union, which helped defend the books.

The defense attorney, William A. Bradford, said it was the first time a federal judge had prohibited school boards from using specific books.

The ruling is "nothing less than government censorship of the school curriculum and a dangerous attempt to set up the sectarian beliefs of one group as a measure of what may be taught," said John Buchanan, chairman of People For the American Way, which arranged legal assistance for the defendants.

New spring collection ESCADA in Paris at European export prices Marie-Martine 8, Rue de Serres, Paris 6th, 50, Fbg. St. Honoré, Paris 8th.

DEATH NOTICES
The Family of MARIA Mc DONALD JOHNS, deeply regrets to announce her death on March 4 at the age of 94.

FERNO-FERNHOUT, on March 1, suddenly, in Jerusalem, John, dearly beloved husband of Julia, father of beloved husband of Julia, P.O. Box 20240, Jerusalem, Israel, and of Harriet, 9, 7351 TA, Hoelderico, Holland. Funeral in Jerusalem.

INTERNATIONAL Herald Tribune

He Can, If Only He Will

President Reagan gave the right speech Wednesday night. That he did not end his garments, tear his hair or otherwise engage in the rituals of mortification that had been prescribed here and there is neither surprising nor even especially to the point.

politics and practices they are meant to repair. Mr. Reagan's stress on how former Senator Baker will work with Congress, how Mr. Carlucci will avoid the unguided free-lancer's trap, and how Judge Webster "understands the meaning of 'rule of law'" said as much about the past that Mr. Reagan regrets as about the future he promises.

There will no doubt be further proddings into the question of how much the president actually knew about the contra dealings. And the evidence on the Iranian deal can be construed to imply a far greater degree of knowledge on the president's part than he admits about the attempted arms-for-hostages trade.

In choosing William Webster, director of the FBI, to be director of central intelligence, the president has again gone outside the circle of longtime Reaganites, this time to someone appointed to the FBI from the federal bench by Jimmy Carter.

The president has implicitly conceded much by the very act of accepting the Tower report ungrudgingly, commending its principals and accepting its recommendations. He tells us with satisfaction that Frank Carlucci is rebuilding the National Security Council staff "with proper management discipline" and that "almost half of the NSC professional staff is comprised of new people."

Mr. Reagan now has a fit foreign policy team. Its members all have independent stature, are experienced Washington hands and have a claim to be taken seriously, abroad and at home. It puts the president in a position to return to the model of cabinet government that he espoused when he entered the White House.

A Mirage in the Mideast

Even for the Middle East, home of paradox and complexity, the subject bubbles with contradictions. Israel's foreign minister, Shimon Peres, eagerly promotes a Middle East peace conference that he does not expect to materialize.

a conference have the power only to bless direct bargaining between Israel, Egypt, Jordan and non-PLO Palestinians. The king demanded that any of the parties could call the conference back into session to resolve issues. Thus the deadlock.

Moderate Arabs, to whom the conference was designed to appeal, still want it to be more important than direct talks with Israel. The Soviet Union, whose imprimatur is integral to Arab participation, will not come close to meeting Israel's conditions for participating.

Mr. Peres, however, would not give up. The conference was his major peace effort during his term as prime minister — and perhaps his ticket back to that job. Mr. Shamir, who has just begun his term as prime minister, regards such a conference as a potential disaster.

Initially, Mr. Peres proposed the idea as a fig leaf for Jordan's King Hussein. The king argued that he could come to face-to-face talks with Israel only after a more general meeting under a United Nations umbrella.

Meanwhile, time passes, not necessarily for the worse. King Hussein has time to increase his economic and political presence on the West Bank and weaken the PLO there.

What the Italians Want

With Prime Minister Bettino Craxi's resignation, it is back to a familiar future in Italian politics. Can the Christian Democrats, Italy's biggest party, cobble together a coalition under five-time former Prime Minister Giulio Andreotti? Or will Mr. Craxi's Socialists demand too many cabinet seats, dissolve a five-party coalition and force early elections?

Washington in the Achille Lauro affair. Yet he jailed terrorists and drug lords and encouraged decentralized politics. What has not changed is the essential balance among the three main political blocs: Communists, Christian Democrats and four smaller parties each attract a third of the vote.

INTERNATIONAL HERALD TRIBUNE JOHN HAY WHITNEY, Chairman 1958-1982

KATHARINE GRAHAM, WILLIAM S. PALEY, ARTHUR OCHS SULZBERGER Co-Chairmen LEE W. HUEBNER, Publisher JOHN VINCIGUERRA, Executive Editor • WALTER WELLS, Editor • SAMUEL ABT, KATHERINE KNORR and CHARLES MITCHELLMORE, Deputy Editors • CARL GEWIRTZ, Associate Editor • ROBERT L. DONAHUE, Editor of the Editorial Pages RENÉ BONDY, Deputy Publisher • ALAIN LECOUR and RICHARD H. MORGAN, Associate Publishers • FRANÇOIS DESMAYONS, Circulation Director • ROLF D. KRANEPHIL, Advertising Sales Director International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92200 Neuilly-sur-Seine, France. Tel.: (1) 46.37.93.00. Telex: Advertising, 613595; Circulation, 612832; Editorial, 612718; Production, 630698. Directeur de la publication: Walter N. Thayer. Editor for Asia: Michael Richardson, 5 Conventry Rd., Singapore 0511. Tel. 02-7788. Telex: RS56928. Managing Dir. Asia: Malcolm Glen, 30 Gloucester Road, Hong Kong. Tel. 5-3610616. Telex: 262009. Managing Dir. U.K.: Robin MacKichan, 63 Long Acre, London WC2E. Tel. 836-8802. Telex: 262009. Gen. Mgr.: W. Gernsmeier, W. Lauerbach, Frankfurt, 15, 6000 Frankfurt/M. Tel. (069) 726755. Telex: 416721. Pres. U.S.: Michael Corvay, 850 Third Ave., New York, N.Y. 10022. Tel. (212) 752-3890. Telex: 421715. S.A. au capital de 1.200.000 F. RCS Nanterre B 732021126. Commission Paritaire No. 61337. © 1987, International Herald Tribune. All rights reserved. ISSN: 0244-8052.

OPINION The Folly of Assuming That War Will Never Happen

By John F. Ahearne

WASHINGTON — The real strategy of the U.S. Defense Department seems to be that War Will Never Happen — or at least not for the next few years.

It is prudent to consider other uses for military equipment. In 1907 the Great White Fleet, as the American Navy was called, sailed around the world to "show the flag" and impress other nations.

disaster. Since then many more tests have been run, trying to get the system into shape. More recently, U.S. forces were used in Grenada and Libya. The Grenada operation showed so many weaknesses in command and control that it served as a major support last year for passage of the Goldwater-Nunn bill, which strengthened field commanders and gave new authority to the chairman of the Joint Chiefs.

Overlooked in the raid on Libya was the fact that two navy carriers needed the assistance of 18 land-based air force bombers (which in turn needed the support of 28 air force tankers) to mount a nighttime attack on a second-rank military power. This demonstrated that the carrier task force is not a very powerful weapon, even if it does make an extraordinarily grand flag-showing device. (At \$17 billion per carrier task

force, the cost of one navy bomber appearing over an enemy target is about the same as a B-1 — and the may be similarly ineffective.) In its new budget, the administration has proposed to build two more large carriers. Aviation Week & Space Technology, a magazine with excellent contacts within the Defense Department, reported that the new budget "sacrifices aircraft modifications, tactical aircraft purchases and new weapon programs for the procurement of two new aircraft carriers scheduled for delivery in the late 1990s." This may be the correct lesson from the Libyan experience, if one assumes WNNH.

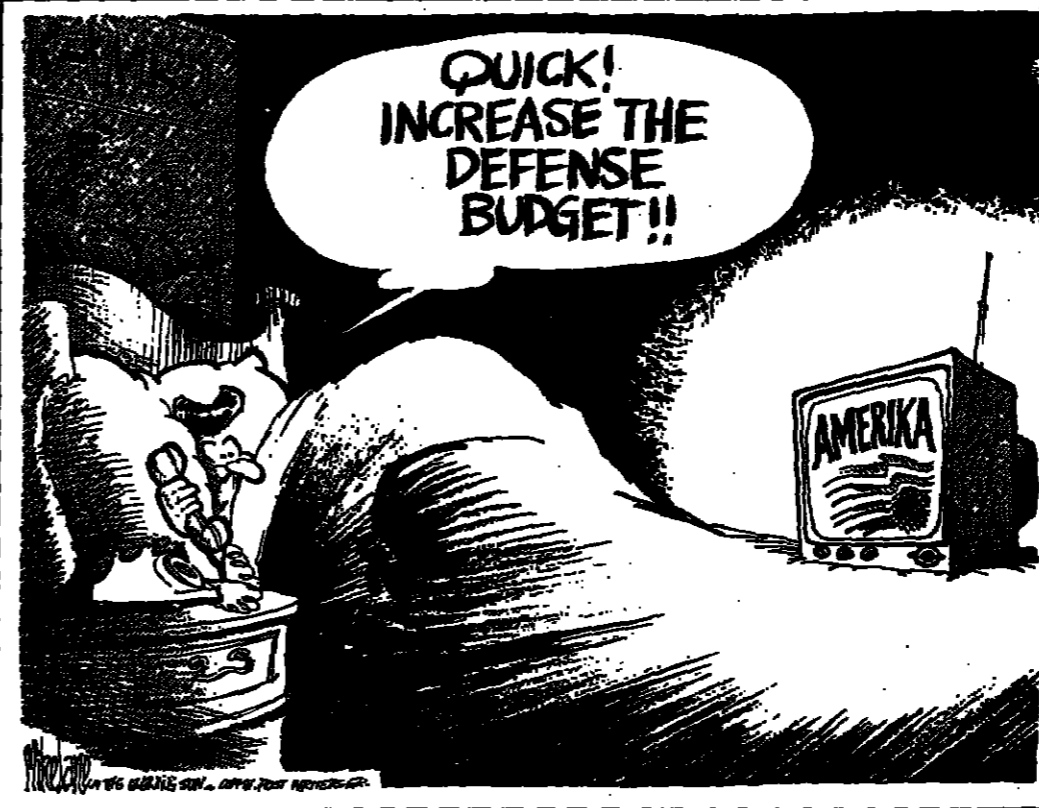
Sam Nunn, as the new chairman of the Senate Armed Services Committee, has begun an effort for which he has been preparing for years: to develop the link between defense strategy and defense resources. This linkage is not the mathematically correct relationship loved by war games enthusiasts. But it is the foundation that must be developed if the defense budget is to reflect national strategy.

'Amerikans' And the Rot From Within

By Benjamin R. Barber

PRINCETON, New Jersey — Behind the layers of soap opera cliché, turgid plotting and Cold War demagoguery of the much debated but little watched television series "Amerika" lurks a moral: The domain of the citizen is vanishing in America, and in its absence democracy is becoming more vulnerable — not to wolves wearing red stars and preying from without but to anarchy and petrification from within.

Unhappily, the producers and the writer-director, Donald Wrye, did their utmost to conceal this telling lesson, burying their moral in a morass of ideological contradictions that taught quite contrary lessons. For every me culpa in their debate about the demise of democracy, there were a dozen self-exculpating fingers pointing to external villains: fifth columnists who sell America down the river to realize their fellow-traveling liberal agendas, jackbooted East Germans using a perverse facsimile "United Nations" to club the resisting nation into compliance, skillful Soviet advisers sweet-talking the doubters into servitude.



The strategy decided on could be War Will Never Happen, or it could be to rely less on symbols and more on actual preparedness. The strategy could even be actual preparedness for a major conventional conflict. Congress is the appropriate forum for that discussion. And once a strategy has been chosen, the forces necessary to support that strategy can be estimated and the military budget can be designed. The resulting resources may be less than the current level, particularly if WNNH is chosen. If a strategy of preparedness for conventional war is chosen, the defense budget level may not be lower, but the allocation will be different. Supporters of the current programs argue that the reason war has not happened, and will not, is the strong and large forces of the United States. But America's adversary is smart, skilled at intelligence gathering and the originator of the Potemkin Village — a facade. The Soviet Union is not likely to be fooled. Real deterrence requires real capability. The writer, a former deputy assistant secretary of defense, is vice president of Resources for the Future. He contributed this to The Washington Post.

When the Polygraph Lies: A Story About McFarlane

By William Safire

WASHINGTON — While poking into the motivations of the former national security adviser, Robert (Bud) McFarlane, I tripped over a story that took place in 1982 in which The New York Times played a part. Because I was not privy to the Times' role, and because recent leads came from people outside the paper who share my outrage at "lie detectors," I feel free to tell it now. On Oct. 24, 1982, Philip Taubman of The New York Times filed an exclusive story. Headline: "U.S. Aides Say British Spy Gave Soviet Key Data." Citing "American sources," he wrote that the British had refused to reveal a serious security leak by a Soviet agent, Geoffrey Arthur Prime, at the main electronic intelligence center in Cheltenham.

robstrate that he was not the leaker? The publisher said he would discuss it with A.M. Rosenthal, then executive editor. The problem the journalists faced was this: Once the precedent was set for "clearing" any official as having not been a source, where would it end? How many guesses did the government get? In this case, The Times decided to back up Bud McFarlane's truthful assertion but not to respond to further questions about other suspects. Accordingly, when the deputy chief of the national security adviser called back, the publisher told him, "You were not the source." Mr. McFarlane said, "Don't tell me, tell it to this man." He then put on the president of the United States. The surprised Mr. Sulzberger told Mr. Reagan he was wrong to suspect this good mariner; the president remarked cheerfully how he was surrounded by marines in his administration (James Baker, George Shultz, Donald Regan) and that was that. Bud McFarlane, a certified non-leaker, remained on the White House staff and was promoted a year later to national security adviser. The polygraph testers later coolly explained to the man whose career they almost terminated that it really was difficult to get reliable results about questions of leaking from officials who occasionally had to talk to the press. Consider what this episode reveals: Bud McFarlane was falsely condemned by a Kafkaesque machine whose printout would be decisive with the president of the United States; his innocence had to be affirmed by a newspaper that had to decide to break its own rules granting its ability to get the news. This also shows how an adept spy in the NSC could outwit the polygraph. A few months ago, a White House staffer was dismissed as John F. Kennedy's NSC for refusing to take a polygraph test. A few months from now, congressional committees will call Bud McFarlane, who seeks no immunity, and compare his version of what he knew what and when with those of polygraph proponents like John Poindexter, Edwin Meese, Donald Regan, Frank Carlucci and Casper Weinberger. My inclination will be to believe the man who twice finished the lying polygraph. The New York Times.

So Much for All That Progress on Debt

By Benjamin J. Cohen

MEDFORD, Massachusetts — Here we go again. Third world debt is back in the headlines following Brazil's decision to suspend all interest payments on its foreign bank loans. And once more, leading American bankers are hawking to assure us that there is nothing really to worry about. Overall, the Third World debt situation is getting better, we are told.

As Brazil shows, there are no 'quick fixes' for the debt problem. not worse. Said the chief executive officer of one of New York's leading banks: "The vitality of these countries has improved. We've made great progress." Some vitality. Some progress. Upbeat words in no way reflect reality in these countries. Brazil is only the latest debtor to encounter renewed difficulty in meeting its servicing obligations. Ecuador also slipped into interest arrears last month. Many others, including Argentina, Nigeria and the Philippines, remain bogged down in protracted rescheduling negotiations. The only progress made has been by the banks themselves in reducing their loan exposure in relation to their own capital. But that is no solution to the debt problem, merely a defensive measure. The essence of the problem is clear — or should be. It is to ease the cash-flow strain on debtor countries in a context of renewed economic development and continuing stability in financial markets. The problem will not be solved by the temporary palliatives of yet more debt restructurings so-

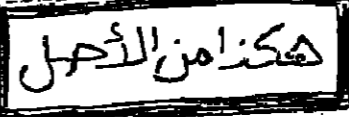
to see light at the end of the tunnel. But what Brazil is telling us is that once again declarations of victory over the debt problem have turned out to be unhappily premature. The bankers argue that an agreement can be worked out (involving some combination of rescheduled payments and fresh loans) that will allow interest payments to resume. But what happens when this latest installment of new money runs out? The experience of the past four and a half years demonstrates that such "quick fixes" just do not work. Breathing room is provided, but countries are still obliged to allocate as much as half or more of their export revenues to debt service, thus depriving them of needed funds for domestic investment. A more durable solution would be to provide significant debt relief to reflect each individual country's underlying capacity to pay. The direct approach would be to negotiate, case by case, a ceiling on future interest payments. It could be tied to various factors: export earnings, incentives for foreign investment, improved economic management by debtor governments. Bankers shudder at the thought of any such "hit" on their earnings. But Peru for one has already imposed such a ceiling unilaterally, without any evident retaliation by the banks, and other countries have threatened to do likewise. Surely it would be more in the banking community's interest to participate in the process, and thus have some influence on it, than to have ceilings thrust on them without their input. The writer is a professor of international economic affairs at Tufts University's Fletcher School of Law and Diplomacy. He contributed this comment to The New York Times.

IN OUR PAGES, 75 AND 50 YEARS AGO

1912: Strike Continues LONDON — The coal strike is still unsettled. Avenues of the negotiation were kept open by meetings in London of the Industrial Council in the morning (of March 6) and of the miners' executive at night. It is asserted unofficially that the Government has authorized the Industrial Council to find a settlement. Paralysis continues to creep over the industry of the country. There were about 450,000 workers in other trades unemployed as the direct result of the strike. At Sunday, when a crowd raided a coal depot, overhrew the watchman, and carried off the contents of three coal wagons. [But the striking miners are peaceful. In many districts they are devoting their energies to football, pigskin-lying and kindred amusements. There is some "stop-the-strike" talk from Derbyshire.

1937: 'Old Bolsheviks' MOSCOW — Nicholas Bulbin and Alexei Rykov, two "Old Bolsheviks," were expelled from the Communist party (on March 5) on the decision of the Central Committee because of "anti-party" activity. Mr. Rykov was Communist for the first or in Lenin's first Cabinet in 1917, and was later President of the Council of People's Commissars. Mr. Bulkin was quietly removed from the editorship of "Izvestia," the organ of the Russian government, early this year. He was formerly editor of the Communist party organ, "Pravda." Last August the names of both were dragged into the trial of Grigori Zinoviev (who was found guilty and executed that month). They were said to have approved of the alleged Trotskyist plot to kill Stalin, but were later exonerated by the State Prosecutor, Andrei Vishinskiy.

CURE Dol THE EU New Is



OPINION

Soviet Hero, American Goat: Why Isn't Anyone Laughing?

By A.M. Rosenthal

WASHINGTON — Born with the gift of laughter and the sense that the world was mad. Both would help a lot these days. It is an old swashbuckling phrase from the author Rafael Sabatini. But it comes to mind now when I compare what is taking place in Moscow and in Washington.

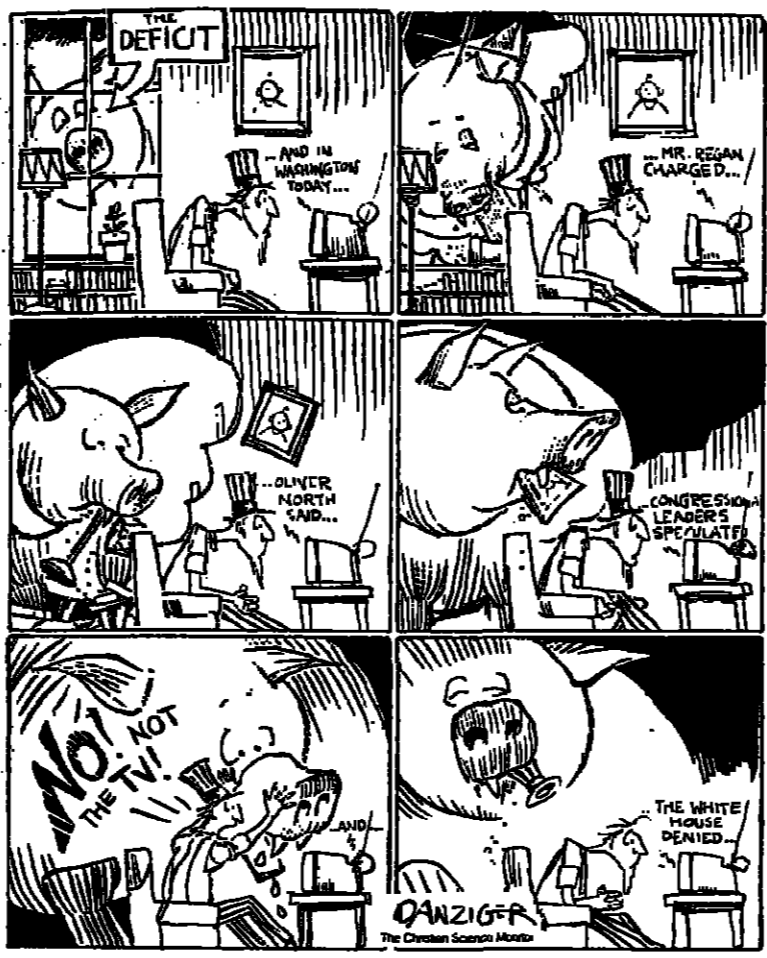
In Washington, Ronald Reagan, a democratically elected president, has been weakened and wounded day after day — for good cause, as Americans see things. He failed to protect the process of government in a free society. Mr. Reagan allowed his aides to engage in secret activities that were against the public, proclaiming one policy about terrorism and practicing another.

Reagan on the Ropes

LIKE a prizefighter who has been on the receiving end of too many up- and-down punches, Ronald Reagan is in a bit of a predicament. He is surrounded by his trainers and inhaling the aromatics of hope. Politicians can convince themselves that they are loved, or indispensable, or that there is one more promise that needs to be redeemed, that the longer they stay around the more of their accomplishments will be inscribed in the history books.

You abide by the rules of a free society or you pay, in huge measure. Meanwhile, in Moscow, a man who came up through the ranks of a police-state bureaucracy to become the ruler of that police state, who has chosen some of his top aides from among the secret police, who never faced a public election and never will, delivers solemn lectures to his own people on how you can have democracy and still have discipline and order. And he summons diplomats, writers and artists from the world over to pay homage to his wisdom and bravery.

The delegations that travel to Moscow meet all kinds of important Russians. Sometimes they meet Andrei Gromyko, now the president of the Soviet Union, who was the spokesman at the United Nations for every bit of Soviet aggression, every act of Soviet despotism for decades. President Gromyko now agrees with General Secretary Gorbachev and no longer with Stalin, Khrushchev, Brezhnev, Andropov and all the other Soviet leaders he served so faithfully.



LETTERS TO THE EDITOR

Australia and the Japanese

The Australian minister for resources and energy, Gareth Evans (Letters, Feb. 24), misreads me. What I said in "The Japanese Could Help Australia" (Feb. 10) was that Australia should ask the Japanese to bid for the right to manufacture in Australia the consumer goods that Australia now has to import at great cost to its balance of payments.

Free Exchange of Views

I was surprised to read in your Feb. 17 editorial "Mixed Eastern Signals" that the socialist countries were reacting to the current drive for greater openness and democracy in the U.S.S.R. "with a mix of apprehension and antagonism."

In Tanzania, a Woman Can Get Punched

By Eileen Stillwaggon

WASHINGTON — Punched: That is what a woman may get if she is too visible or independent at the University of Dar es Salaam, the national university of Tanzania. Not punched with a fist, but punched with intimidation, lies, public humiliation and shunning.

The woman's likeness and biographical information are posted, along with lies about her sexual relationships. She is shunned by women and men students, both for the fabricated charges and for fear of being punched themselves for not cooperating.

MEANWHILE

her answer is usually inaudible. Women walk on campus and board university buses with heads bowed, never daring to raise their eyes lest they appear too bold.

Punching is just one of the more blatant examples of official tolerance of, and complicity in, oppression of women in Tanzania. National military service is compulsory for all secondary-school graduates, male and female.

back. The little girl struggled with a huge basket of clothes. The man carried a paper bag about large enough to hold an apple. The boy carried nothing. It is not news that in Africa women do most of the backbreaking work of feeding and sheltering the family, hauling water and wood, pounding grain, re-mudding houses, hoeing, harvesting. It has been estimated that 80 percent of all work in rural areas is done by women.

The government newspaper, the Daily News, frequently has articles stressing that the appropriate place of women is in the home as wife and mother. One such article featured a photograph of Prime Minister Margaret Thatcher of Britain picking up the milk bottle delivered to her door at 10 Downing Street, with a caption praising her for keeping up with her wifely chores.

The Revolutionary Party, Chama Cha Mapinduzi, uses popular culture to advance its message, and performances by the national dance troupe are a big attraction. I saw the group on several occasions: the visit of North Korea's vice president, the triumphal return of President Julius Nyerere after his selection as head of the Organization of African Unity, and the ceremonial running of the Mwenge, the torch that is the symbol of Chama Cha Mapinduzi.

The writer taught economics at the University of Dar es Salaam as a Fulbright senior scholar in 1984-1985. She contributed this comment to The Washington Post.

GENERAL NEWS

In Palme Murder Inquiry, Some Swedes Feel That the Enemy Could Be Sweden Itself

This article is excerpted from The New York Times Magazine. By Richard Reeves

EARLY on the morning of Jan. 20, 200 Swedish policemen surrounded a number of houses in Stockholm and rounded up 20 men. "Three of these arrested," the police announced, "have been informed of the suspicion of being accessories to the murder of Olof Palme."

Communists, some Swedish officials — including cabinet members — were coming to a more dangerous conclusion: that Mr. Palme died because of his clumsy involvement as a mediator in the Iran-Iraq war at the same time that Swedish arms makers were illegally shipping weapons to one side, Iran.



In the days after the death of Prime Minister Olof Palme, Swedes lined up at the site of the assassination to pay homage.

The arrests climaxed an 11-month, \$6 million effort by a 300-member task force investigating the killing of the man who had dominated his country's politics for 20 years. Prime Minister Palme had led his Social Democrats to victory in three elections and was the most important Swede in the world. But he had also led the party to its only two defeats in 56 years and, because he was a political animal who honed his words to wound, he was hated by many of his countrymen.

Many Swedes do not want to know the truth about what happened — for them it is over. There seems to be no thirst for more of revenge. That may be the Swede's Swedish decency. Prime Minister Ingvar Carlsson, an unobtrusive party and government functionary his whole adult life, has united most of the country — or calmed it. According to one poll, the Social Democrats have gone up 10 points in popularity since Mr. Palme's death.

to determine whether anyone holding an Iraqi passport had registered during the week before the murder. The trail of events that was effectively closed to investigators began in November 1980. Mr. Palme, who had been defeated in the 1976 election, was bored and irritable as opposition leader. He missed the world spotlight that had played on him as a vehement opponent of the Vietnam War. He jumped when Kurt Waldheim, then the United Nations secretary-general, asked him to try to mediate the war between Iran and Iraq, a year old at the time.

the world, certainly the Gulf and the entire Middle East. But Sweden is also a country that maintains its high standard of living — per capita income is 25 percent higher than in the United States — through foreign trade. Arms sales are part of that prosperity. Weapons may account for 5 percent or more of Sweden's annual exports of about \$45 billion, which is more than a third of its gross national product. The government has been known to look the other way on weapons sales, liberally granting export permits that certified that material was not headed for war zones.

Trainloads of Bofors gunpowder had been seized by customs officers in West Germany and Italy; other trainloads and perhaps naval cannons had gotten through by way of Austria, Yugoslavia and Singapore. Two hundred RBS-70s had been delivered to Iran, part of an order for 400 placed by the Iranian government. An additional 800 to 1,200 RBS-70s could not quite be accounted for, although they were known to have passed through Dubai and Bahrain. Directors of Bofors have insisted that the company has done nothing that was illegal — or that was not known to the government.

The Iraqis, of course, had protested the sales when they became public. They were also enraged by a program that the Swedes considered an act of humanitarian neutrality: Iranian war-wounded were being treated in Swedish hospitals for what the Iraqis said were the effects of poison-gas attacks launched by Iraq.

But it did not disappear from cabinet concerns. Ministers were rebuffed by the police finding, but many did not believe it. The "murder" — and that was the word used by ministers — was discussed by the cabinet. The concern there was that it was part of a continuing threat to the nation that must be resolved. Not solved, but resolved.

A political assassination is, after all, a political event, a circumstance to be managed by politicians. One of those men, sitting in his office in Rosenbad, the seat of Sweden's government, looked out over Stockholm one recent morning and put it this way: "We know at this point that there is less than a 10-percent chance to solve the murder. That is not our problem. Our problem is what the people of Sweden believe happened and how they deal with that."

Police Commissioner Resigns

A Stockholm police spokesman said Thursday that Mr. Holmer, who had the hunt for the killer of Mr. Palme, has resigned as the city's police chief, Reuters reported from Stockholm.

WEEKEND

- Herbert Blomstedt, Conductor
- Medieval Treasury
- New Films from the East

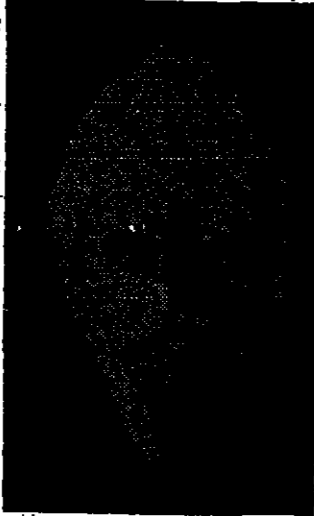
International Herald Tribune

CRITICS' CHOICE

NEW YORK

Tribal Art of New Guinea

Since the turn of the century, German and Swiss explorers and ethnographers have played a key role in bringing the strikingly carved and decorated art of New Guinea's Sepik River basin to the attention of the Western world. The 700-mile river has many tributaries that tend to isolate tribal villages from each other, creating a rich diversity of art forms and expressions. The art fuses religion and daily life and combines spirit, animal and human worlds in elegant curvilinear shapes. "Art of the Sepik River" at the IBM Gallery of Science and Art (Madison and 56th) through April 25, was organized by the Tribal Art Center of Basel and includes more than 160 shields, ritual objects and food vessels. The show will also go to the Virginia Museum of Fine Arts in Richmond, the Denver Art Museum, the Heard Museum in Phoenix, and the California Academy of Sciences in San Francisco.



LAUSANNE

Eating With the Eyes

Under the title of "A Manger des Yeux," the Musée des Arts Décoratifs has assembled a display of food as art. Exhibits range from the glossy magazine illustrations by the German photographer Reinhard Wolf celebrating the cuisine of Orient and Occident, to cookbooks from the 17th to 19th centuries, chocolate pyramids and Carême's spun-sugar monuments and other *pièces montées* reproduced by modern Swiss practitioners, Japanese plastic fake-food displays, sugar sculptures by the food artist Dorothée Seiz, festive candles from Mexico and offerings to Balinese gods. Through April 5, after which it moves to the Bellevue Museum in Zurich.



LONDON

Le Corbusier Centenary

"Le Corbusier, Architect of the Century," which runs through June 7 at the Hayward Gallery, is the first of a number of European and American events planned to mark the centenary of the birth — as Charles-Edouard Jeanneret in La Chaux-de-Fonds, Switzerland — of one of the most influential and controversial architects and urban planners of the century. Organized by the Arts Council of Great Britain with the collaboration of the Fondation Le Corbusier, the exhibition includes models of a dozen of Le Corbusier's major buildings and projects made or financed by architectural schools or firms, original models, photographs, working drawings, paintings, sculpture, tapestries, enameled and furniture.

AMSTERDAM

Schlemmer Revisited

More than 200 works from European and American collections focusing on all aspects of the career of Oskar Schlemmer are included in an exhibition that continues to April 13 at the Stedelijk Museum. Schlemmer (1888-1943) was a painter and sculptor who was also active in the fields of dance, theater, music and the visual arts in general. He taught at the Bauhaus from 1920 to '28, and in 1922 extended his ideas from the visual arts into dance with the "Triadic Ballet." The exhibition — in the context of the "Amsterdam, Cultural Capital of Europe 1987" festival — was mounted with the aid of the Schlemmer family and the Staatsgalerie in Stuttgart, his birthplace, which has a substantial number of his works, including costumes of the "Triadic Ballet."

PARIS

Istanbul's Architecture

"Istanbul, Lumières sur la Ville," devoted to the Turkish capital's architectural heritage, is at the Chapelle des Petits-Augustins of the Ecole des Beaux-Arts (14 Rue Bonaparte) until May 3. The exhibition illustrates the artistic accomplishments of an empire that united the heritages of the East and West, resulting in a distinctive urban landscape, with its mosques, palaces (above, the Topkapı), public buildings and Ottoman houses.



LYON

New Ballet Program

The Lyon Opera Ballet, after its New York debut with Maguy Marin's version of "Cinderella" and a trio of ballets new to the company, will give the latter program for the first time at home. A series of 14 performances May 8-24 at the Maison de la Danse comprises "Mama Sunday, Monday or Always" by Mathilde Monnier and Jean-François Duroure, "Sleptext" by William Forsythe and "Symphony in Three Movements" by Nils Christie.

On the Ready-to-Wear Roundabout

by Hebe Dorsey

THE fashion season is about to start and, as of this weekend, thousands of people from all over the world will spend five weeks on the road, zeroing in on Milan, London, Paris, and then, to a lesser degree, New York. Tokyo, which, a few years ago, started to rival these capitals, has lost its momentum.

Although the twice-yearly couture and menswear collections are important, there is no question that the ready-to-wear collections in spring and fall dominate the fashion scene. Those starting in Milan this week-end are the most important, a key moment in the industry, because they set trends for fall and winter 1987-88.

Fashion has become a worldwide phenomenon, a nonstop race to feed not only the clothing industry, but all kinds of side activities related to fashion. Flocking to these collections, besides the international retailers and press, will be fabrics manufacturers, cosmetics experts, hairdressers, accessory designers, shoe designers and fragrance makers, all intent on finding out what is in and what is out. Plus the groupies and the students of fashion.

Each city has a different profile. Milan, where the shows are held at the edge of town in a huge glass-and-cement convention center, is all work and little play. Although it is efficient to show the collections under the same roof, and although the organizer Beppe Modenese does a fine flower and decorating job, the result is the same as at most professional fairs. At the end of the day, one feels as if one has been through a meat grinder. The only two houses which do not show at the fair are Krizia and Giorgio Armani.

The good side of Milan is that it is now a happy city. Almost. After years of fear and the Red Brigades, the atmosphere is calm, and this has had an impact on Italian styles. Grim khaki, boots and battlefield styles have disappeared. They are now into a wholly different mood — soft and feminine. And while the collections are important — the Italians are making a killing in the United States — there is less creativity than in Paris, therefore less tension. Professionals tend to look at Milan as a trial run for Paris and, when each day is over, they relax and do as the Milanese do. Most of the fun takes place at their favorite eateries around big plates of spaghetti. Fashion is also in the streets and shopping is a strong Milanese attraction, with some of the most luxurious boutiques in the world.

One can expect a few significant changes this season. Gianni Versace has just announced that he will show a couture collection — following the example of Gianfranco Ferré who started showing a couture collection in Rome two seasons ago. If more Italians from the ready-to-wear ranks get the couture bug, they could well build up a "Nouvelle Couture," to replace their ailing Rome couture, just like in Paris.

The fact that Milan fashions are dominated by big business was long a dulling, discouraging element. No more. Young talent is now sprouting in what was once a big bland scene. The man to watch this season is Romeo Gigli, a purist who has his own, delicate ap-



In Paris, at the beginning, everybody is dressed to the teeth.

proach to the body which he defines in a precise, but subtle way. The other interesting name is Franco Moschino.

London is something else, a mad weekend during which designers show at Olympia's exhibition hall and, in two nearby tents. After years of chaos, the British are less disorganized and amateurish. London is changing fast because of aggressive entrepreneurs, such as Peter Berteles, a Danish oil tycoon who is doing a good job at harnessing British talent.

The Princess of Wales, who started with a stunning fashion bang and every sign of becoming a major international influence, has rather let the demands of her position dominate her taste, until she is now a mere show-window for London designers — which led to her being bounced off the

American best-dressed list. She has, however, helped to revitalize the British fashion industry, and remains a key influence on London styles, which keep on moving away from street to salon. Nevertheless, the streets of London, with their raw, wild and spontaneous fashions, remain the most entertaining and influential in the world.

The fashion banquet, attended last year by the Princess of Wales, will be replaced this time by a big buffet to be hosted by the chairman of Harrods. Things are happening in this august store, and the fashion department (four and a half acres of it) is being totally revamped and upgraded.

As for Paris, the hub of creativity, the apex of fashion has its own fast and furious pace. The showings, which attract

40,000 to 50,000 people and generate an estimated 18 billion francs (about \$3 billion) worth of business, are held in several tents located at the Cour Carré du Louvre, which is pleasant because it offers foreigners a flavor of Paris. Otherwise, it is a story of minimum comfort and maximum fun. The crowds are regularly overflowing out of the superstar shows — such as Claude Montana's or Karl Lagerfeld's.

Here fashion is in the air, under tents and in Paris's streets, clubs and boutiques, which explains why nobody — not even the toughest professionals — is blasé when it comes to Paris. This is the only place where you see young, desperate groupies hanging outside the tents, begging for an invitation. At the rate of five or six shows a day, the professionals meanwhile have a

grueling schedule, which requires the physical aptitude of an Olympic athlete.

At the beginning, everybody is dressed to the teeth, chic suits, high heels and all. By the second day, faces are already haggard, and dressing becomes a fast skirt-and-sweater job. At the end of the road, even the normally hand-box impeccable magazine editors look like they've just been through World War III.

Last season the threat of terrorism marred the showings, and security will again be tight. On the other hand, the drop of the dollar will be a major concern to American buyers, who will have to play their cards close to the vest. But the buying, the selling and the fun in one of the world's most vivid market-places will go on.

Richard Eyre, Peter Hall's Heir at the National

by Robert Cushman

LONDON — Next year, for the first time in its 13-year existence on London's South Bank, the British National Theatre will have a change of director. Peter Hall hands over to Richard Eyre.

No need to speculate on why Eyre was chosen. Now 43, he not only has a consistently excellent record as a director of plays, but he is also — almost uniquely in his generation — a committed runner of theaters.

He became widely known in the 1970s for his work at the Nottingham Playhouse, where he sponsored what was then the rising political wing of British playwrights: Howard Brenton, David Hare, Trevor Griffiths. He also ran an excellent acting company, full of what are now totemic names: Jonathan Pryce, Antony Sher. The crown of his regime was an immaculate production of Griffiths's play "Comedians" with Pryce in a leading role, one that subsequently got him a best actor's Tony on Broadway.

"Comedians" was brought into the National's repertory at the Old Vic, and Eyre seemed a natural choice for Hall's stable of associate directors. Instead he moved into television, functioning again as both director and producer, and subsequently into films. He has directed three movies.

The best-known, "The Ploughman's Lunch," was rather like a celluloid version of the state-of-England drama he has sponsored at Nottingham. But his recent work in the theater has been much broader-based. When, after much wooing, he did become a National associate, he had an immediate triumph with "Guys and Dolls" following that up with "The Beggar's Opera" and Brecht's lightweight "Schweyk." That is two musicals and one play with a lot of songs — this from a director who has been heard to remark ruefully on his "pagan image," but who is currently represented in the West End by "High Society." He has also taken time out to direct, at the Royal Court, plays by David Mamet ("Edmond") and Alan Bennett ("Kafka's Dick"), the two best new plays, as it happens, of the last two years.

Hall is currently rehearsing "Antony and Cleopatra" at the National, and seems to be thriving on it. "He's always on form when he's directing," one colleague said; another remarked on his ability to tune every crisis out as soon as he enters the rehearsal room.

Nevertheless he talked to me about tombstones, and what he would like on his: that he bequeathed, in good working order and with high hopes, the Royal Shakespeare Company to Trevor Nunn and the National to Richard Eyre. "The man who invented the institutional theater in this country" (Eyre's description) has been able to nominate his own successor for each of the major companies he has headed.

His own early days at the National were clouded by



Richard Eyre (left), and predecessor Hall.

his not having been the choice of his own predecessor, Laurence Olivier.

Olivier had run the National for 10 years at the Old Vic, during what is now regarded as a Golden Age. Probably our memories are rosy. There was plenty of trouble, and plenty of critical flak, at the time. But Olivier managed to create a durable and polished an acting ensemble as London has known, in a program that lightly skimmed the international repertory.

For all its eclecticism, Olivier's regime never had to bother too much about being the National Theatre. It was, as Ian McKellen once nostalgically described it, the "London rep." But once the South Bank complex had been created, with its foyers and its bookshops and its exhibition spaces and above all its three stages, it somehow had to live up to its name.

The problems have always been organization, identity and money. "What I feel most bitter about," Hall said, "is that having run this place for 10 years without a deficit, our reward has been to have one and a quarter million pounds taken off our subsidy in real terms. We've lost a huge opportunity to be a national theater in the broadest sense of the term. We could have toured more, had exchange visits with regional and international companies." These were all part of Hall's original schemes but they fell by the wayside after a couple of years. Only now are they beginning to reappear.

Hall, who has taken to publicly exhorting the government for its philistinism and the Arts Council for its lack of imagination, recently encountered Prime Minister Margaret Thatcher at an official function. Sir Peter, he said to him patiently, you've got it all wrong. Few people actually concerned with the arts would doubt that, in this area at least, Hall has got it all right, not least in his skeptical attitude toward the officially-approved remedy of business sponsorship: It is more and more a branch of advertising.

Even a financially handicapped National is a large operation that can only be humanized by its performers. Hall has tried several methods of organizing them. First, he ran everything himself and found it impossible. Then he gave each theater a separate director, then tried delegating across the board.

This last solution evolved naturally into the current system of autonomous groups, each run by a different director and mounting a play in each of the three spaces over a period of about 18 months. It has had its bumpy periods, but it has led to the recruitment of directors (such as Alan Ayckbourn and Mike Alfreds) from outside the charmed metropolitan circle, and even its failures have had some sort of definition about them. The National in previous years has had a weakness of product: productions, neither especially

good nor especially bad, that one knows for a fact existed but have left no ripple.

Whether Eyre intends to retain the group system is still unknown, but he has said that 18 months is the natural life for a group of people together. I would like to think it could be longer, or at least that each group could get through more work in its allotted span.

One has a dream — at least I do — of a homogeneous National Theatre Company constantly redefining and subdividing itself across all three stages according to the needs of each play. For logistical reasons it is unlikely to happen and, as both directors and actors often remark, actors no longer regard a permanent company as theatrical nirvana. They said they did in the 1960s, but maybe this was because they had never experienced it.

"In most countries," Eyre said, "a national theater is a state institution set up to glorify the national drama. We already have the RSC to celebrate the great English playwright. That curious edifice on the South Bank exists to provide a pluralistic repertory where you aspire to the highest possible manner of presentation, casting and design. It has a sense of continuity in the way it gathers and develops younger actors, directors and designers."

None of this is revolutionary. But I don't see how it could be. Everybody knows the kinds of play the National should be presenting and the quality of actor it should be employing. Everybody recognizes the dangers of what Eyre calls brochure theater: the idea of paying debts to the classics. I suggested that the danger extended to new plays as well, and Eyre agreed, citing the speed with which new playwrights are gobbled up. "There isn't a writer who hasn't been commissioned by the National, the RSC, the Royal Court."

The National will always be criticized just because it's the National. It gets blamed every time another company does a successful production of a minor classic, as though if the National were doing its job properly there would be no need for anyone else to bother. It gets attacked if it mounts a popular comedy in its small Cottesloe Theatre, though there is no earthly reason why small should be synonymous with experimental, and it is actually a sign of health that some of the boldest productions (Hall's "Orchestra" for instance) have been mounted in the vast open-stage Olivier Theatre.

Eyre said that he admired Hall's resilience enormously: "Like a sea lion he just gets on land and shakes the drops of water off him." Eyre is less flamboyant but equally tough. He's tired of being described as "nice," pointing out that to get a show on at all you have to be incredibly bloody-minded.

When he hesitated about lying himself down to the National ("I like whoring around"), Howard Brenton admonished him, in monumental style: "You've got to do it. It's your destiny."

WEEKEND

THE PARIS LIBERTY FLAME APPEAL



In support of the project to bring to Paris a full-size replica of the sculpted flame of the Statue of Liberty...

It was a most enjoyable family evening, involving well over 300 participants, and the IHT extends its most sincere thanks to all those who made it possible.

We are grateful for the generosity of: UNIVERSAL PICTURES UNITED INTERNATIONAL PICTURES BURGER KING SOCIÉTÉ GAUMONT

And we also salute with thanks all those who attended and whose contributions will help to make the Paris Liberty Flame a reality.

- Nancy Ackley, Scott & Robert Ackley, Gérard Ardrouze, Nancy Asthalter, Katia Asthalter, Frederick & Claire Ayer, Andrew & Alex Ayer, William & Beryl Barracough, Mr. & Mrs. Steven Bartlett, Louise & Christopher Bartlett, Jean-Marc & Nicole Bel, Romain Bel, Charles & Celia Benson, Dianna & Andrea Benson, C. Bergin, Dorothy Bergin, Mrs. Patrick Bidermann, Jordan Bonfante, Peter & Eugenia Bonfante, Rudi Boniface, Carolyn Boniface, Connie Borde, David & Philippe Borde, Mary Boss, Jill Bourdais de Charbonniere, Claire Cyrille Bourgoin, Mr. & Mrs. Jean Boutemy, Anne Boutemy, Rebecca Bouygues, Rosalie, Charles & Louise Bouygues, Barbara Bréchet, Odoric S. Bréchet-Bader, Didier Brodbeck, Alexandre Brodbeck, Mr. & Mrs. John H. Bull, Judy Burack, Michael & Stephen Burack, Cameron Calder, Marjorie Calder, Robert Calder, Martine Catala, Claude Catala, Beverly A. Cerchio, Robert Champagne, Ruth Charrier, Yolande Chauvigne, Christian Chery, Sonia Chery, Mr. & Mrs. William Chevallier, Kathleen Choiset, Stephen, Noémie & Claire Choiset, Jane & Christophe Cobence, Julien Cobence, Laura Cohen, Nadine & Fred Coleman, Cynthia & Eric Coleman, Ellen Conrad, Louisa & Parker Conrad, Margaret Corcoran, Michelle Corcoran, Mrs. P. Corcoran, Mrs. Whitney de Courcel, Eric de Courcel, Mr. & Mrs. Roger Cruise, Mrs. Roland Dallennagne, Eric Dallennagne, Julia Darger, Julie Darger, Carmen Davis, Robert Davis, Suzanne de La Maisonneuve, Terence Dellecker, Juliette & Adrian Dellecker, Thomas & Gail Duggan, Chris Duggan, Laure Dujarric, R. Evans, Julien Fabrizio, Timothy & Gina Fabrizio, Nancy Field, Dominique Frachon, Marc Frachon, Pauline & Antoine Frachon, Guillaume Franck, Jessica Franck, Thomas Freear, Elizabeth Fulford, Simon Fulford, Darlene & Louis Georgiades, Michael & Anne-Kath. Georgiades, Margaret Gillet, Marianne & Marc Gillet, Sylvain & Edith Goldfarb, Caroline & Sophie Goldfarb, Michèle Gompel, Samantha Gompel, Saul & Marcia Gordon, Elcana, Joanna & Elizabeth Gordon, Dr. & Mrs. François Goupy, Isabelle & Frédéric Goupy, Julien Granotier, Matthew Greene, Mrs. Jean-Pierre Guerlain, Steven & Regina Gustafson, Gina & Reggie Gustafson, Mr. Haidemerkakis, Robert & Flynn Hall, Gregory & Melanie Hall, Mr. & Mrs. Charles Hamilton, Tara & Jason Hamilton, Lenny Hanson, Ashley & Sabrina Hanson, Karen Hartung, Gregory Hartung, H. Heller, James & Drucilla Hoage, Mrs. Claude Hoguet, Mrs. Kourah Howell, Kourney Howell, Jacqueline Hubbard, Emilie Hubbard, Beena & Lee Huebner, Charley & David Huebner, Nelljke Hurley, Cara Hurley, Robert Irving, Florence Jeanette, Herbert Johnson, Catherine Julian, Laurent & Remy Julian, Mr. & Mrs. Joseph Keren, Mary Kergall, Laurent & Guy Kergall, Edward & Lisa Kiernan, Patricia Koenigsberger, Roger & Sue Krutz, Brian & Jennifer Krutz, Nadia & Thierry Lacoste, Mr. & Mrs. Laforet, Anna Lascar, Jean-François & Sally Lecomte, Julien & Louise Lecomte, Lynn Livrette, Brian Lloyd, Mrs. Loufi, Raja & Zeina Loutfi, Michael & Madeleine Lovallo, Lisa & Matthew Lovallo, Jeanne Jany D'Jaoui Manson, Susan Marchand, Mr. & Mrs. Robert McAuliffe, Todd & Louisa McAuliffe, Cindy Meier, Brian Meier, Elizabeth & Michel Messoca, Julia & Alexander Messoca, Jacoba Toby Molemar, Carol & Xavier Negiar, Cristine Noury, Caroline Noury, Mrs. B. Oestier Elbaz, Vanessa & Gregory Oestier, Suzanne Parker, Kathryn Parker, Karen Parnet, Olivier & Juliette Parnet, Agnes & Denis de Pasquale, Robert & Sheila Paul, Chad Paul, Peggy Paul-Cavallier, Edward & Virginia Paul-Cavallier, John Peter, Virginia Pilpoul, Samuel & Judith Pisar, Leah Pisar, Michel Plantevin, Ellen Plantevin, William Powell, Mr. Pugatchenko, Marc & Nicolas Pugatchenko, Leslie & Bertrand de Quillacq, Albane & Chloé de Quillacq, Jean & Sarah Rassam, Frederic Rassam, Mr. & Mrs. Van Kirk-Reeves, Evander Reeves, Lily Réve, Eileen Osmond Savdie, Suzanne Scroccaro, Katie Scroccaro, Bibi Seggar, Claire Serieyssel, Claire Serieyssel, Pieter Shapar, Mary Winslow Sison, Thomas Upton Sison, Sally Soliz, Cori & Alicia Soliz, Jane Stanford, Chris Stevens, Deon Stottin, Gay Tischbirek, Jacqueline Gard Urbank, John Urbank, Sharyn Van Reepingben, Ian François Van Reepingben, Mr. & Mrs. Guy Viollet, Barbara Virillo, Virginia & Julien Vitoz, W. Robert & Susanna H. Warne, Dorothea Wiele, Craig & Suzanne Wiele, Gudrun S. Wigley, Janet Wolfe, Marie-Columbe Perry-Wright, Karina Waring, Pamela Darling Ziesenis, Peter & Caroline Ziesenis, Mr. & Mrs. Charles Zimlinghaus, Carol Zimlinghaus

Czech Twister, Polish Romance

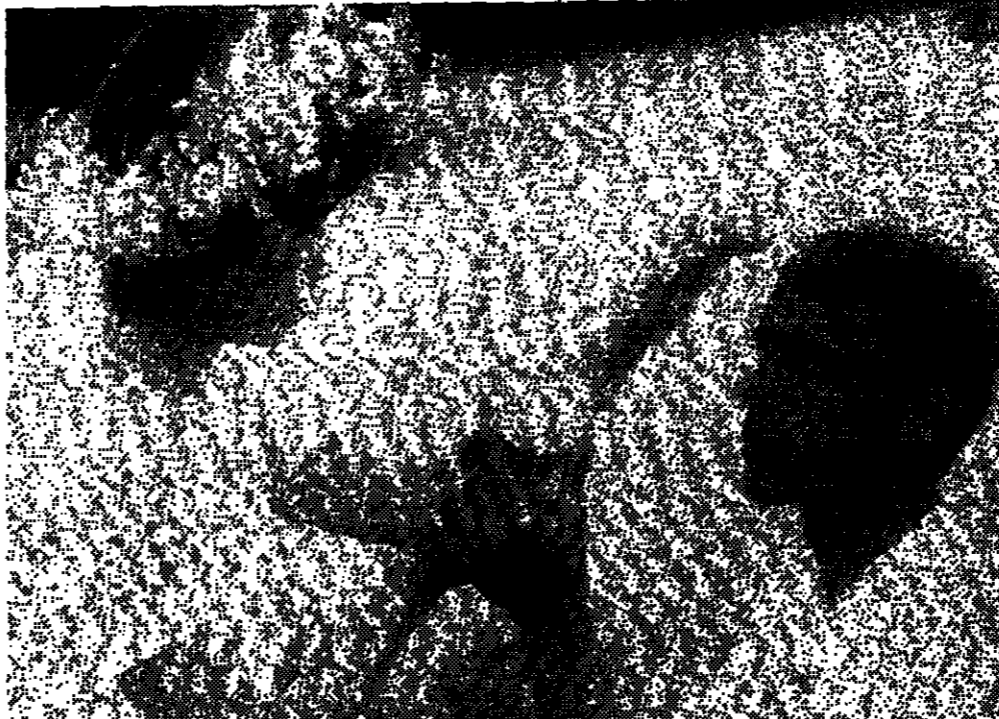
by Mark Hunter

PARIS — Most of us have experienced something that could be called a criminal urge, even if merely pocketing the change that belonged to a shopkeeper or tearing up a parking ticket.

The fortyish Vrana (played in a wonderfully deadpan style by Josef Abrham) is racked by erotic fantasies that his Prague bookshop, with an upstairs bedroom, provides the chance to act out: unfortunately, child support payments from past adventures, combined with the support of wife and child, have reduced him to economies like wearing a worn-out dinner jacket to a reunion with his now-rich high school classmate.

In a moment of vengeful opportunism, Vrana has found his calling. No longer merely a poor book-seller, except for protective coloration, he is on his way to becoming the notorious "fake waiter" whose one-man crime wave catches the nation's interest.

The best twist is that Vrana isn't in it for the money; he discovers himself as an artist of disguise, a bold pirate with a Robin Hood touch, and a more irresistible womanizer than ever (especially with the wives of richer men).



— but when the bluff is finally called, he rises again to the occasion. A postscript tells us that he betters himself in prison; he is indeed a "positive criminal," as he is described by one of his unwary victims. This is a portrait of the artist as a middle-aged thief.

Andrzej Wajda has lately been at pains to point out that the political themes in his oeuvre — notably in films like "Man of Marble" (1976) and "Man of Iron" (1980), which respectively studied the Polish working class of the 1950s and the Solidarity movement — have always been counterbalanced by close attention to personal relationships.

— make others suffer," she tells the startled Wittek, without the least irony, until we realize that she knows exactly what she wants from life: A perfect, consummated love, and escape from an existence she has judged insufficient.

The film is shot in a focus so soft that spots of white light glisten like snowflakes, like one long image from a nostalgic memory of youth (initially the memory of Tadeusz Konwicki, who adapted the screenplay from his novel of the same title).

The story is as classic as "Roméo and Juliet": Alina (Paulina Myrska) and Wittek (Piotr Wyszczek), likewise in his first semester, students at a time when even children are talking about the coming war, meet by chance and fall in love, despite parental opposition, the crude incomprehension of Wittek's peers, and the competition of other suitors for each.

Młynarska is a discovery, a child who seems to be merely playing ("I



Soft-focus by director Andrzej Wajda (left), and Ladislav Smoljak's fake waiter (above).

(1985) enjoyed the Party's blessing ("The Party wants to enrich the peasants!" declares one character). But the director (and co-screenwriter, with Zhu Ze) has loaded into this movie a great deal of ambivalence about the experience, as opposed to the rhetoric of progress, with the help of a uniformly excellent cast (two of whose members, Yue Hong and Xia Ming, won the national film industry's Golden Rooster awards for their roles in 1986, along with the best film prize).

The film recounts how two mountain peasant couples split up and re-assemble after numerous trials for all concerned. The ambitious Guilan (Hong), wife of the tradition-minded farmer Huihui (Ming), will eventually find happiness with the entrepreneurial-

minded Hehe (Du Yuan), while Hehe's conservative, estranged wife, Qirong, drifts with her child into the arms and household of Huihui. Though all of these comings and goings are with evident emotion, no one ever says the key line of any Western romantic comedy — "I love you."

But this tangle (curiously reminiscent of Jane Austen's novels of marriage and money) is ultimately secondary to the chief cause of friction between Guilan and Huihui — her inability to bear him a child. At the film's end, she and Hehe are married and rich (by peasant standards), but she is apparently still childless. And though Qirong and Huihui find comfort together at first in their common values, it is soon cruelly diminished by envy of their ex-matres' success. There is a human cost being paid for progress here, and the film isn't ducking the issue.

Mark Hunter writes about cultural affairs in Europe.

INTERNATIONAL ARTS GUIDE

BELGIUM

BRUSSELS: Palais des Beaux-Arts (tel: 512.50.45). Mar. 13-22: Thirty European galleries participate in the 10th annual contemporary arts fair.

ENGLAND

CAMBRIDGE: Fitzwilliam Museum. Mar. 17-May 3: The Private Degas displays over 100 drawings.

paintings, sculptures, posters and prints from museums throughout Europe and the U.S.

LONDON: Barbican Centre (tel: 638.41.41). To April 26: Russian Art 1700-1920: Court and Country Dress from the Hermitage. 120 costumes and fashion accessories, including Imperial wardrobes, from the Hermitage Museum in Leningrad.

National Portrait Gallery (tel: 556.89.21).

To March 22: Elizabeth II: Portraits of Sixty Years; includes photographs, paintings, sculptures.

Royal Academy of Arts (tel: 734.90.52).

To April 5: British Art in the Twentieth Century traces the development of the British art exhibition in 1910 with the first beginning of Post-impressionist paintings in England; includes works by Bloomsbury artists, the Vorticists, conceptual artists of the early 70s, and works by Henry

DUSSELDORF:

Kunsthalle. To Apr. 20: Joan Miró's paintings — Surrealist, 1930s, and post-war era works — are featured in this first retrospective of his work since the artist's death in 1983.

HANOVER: Sprengel Museum (tel: 168.38.75). To Mar. 15: 400 drawings and 17 oil paintings by Picasso from the collection of the German industrialist Bernhard Sprengel.

MUNICH: Staatsgemäldesammlungen (tel: 23.80.50). To Mar. 15: Graphic work and paintings by the Italian artist and sculptor Marino Marini (1901-1966).

Städtische Galerie im Lenbachhaus. To March 29: Franz von Lenbach and His Time, marks the 150th anniversary of the portraitist's birth; 180 works are on view.

ITALY

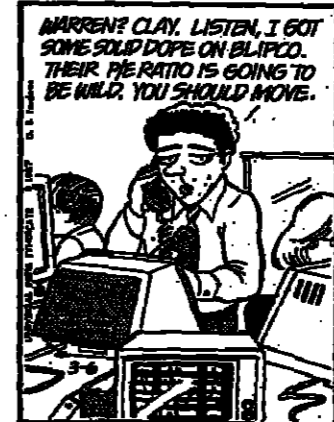
FLORENCE: Palazzo Pitti (tel: 21.34.40). To June 30: The Collections of the 20th Century: works by Italian artists 1915-1945.

Palazzo Strozzi. To May 4: Entitled 17th century Florence, the exhibition brings together over 500 works (paintings, drawings, sculpture and engravings) by 63 artists of the Florentine school.

MILAN: Pinacoteca di Brera. To May 10: 47 Impressionist paintings on loan from American museums.

ROME: Galleria Nazionale d'Arte Moderna (tel: 80.27.51).

DOONESBURY



THE NETHERLANDS

AMSTERDAM: Van Gogh Museum (tel: 020.76.48.81). To April 12: Paintings and photographs by the Swedish dramatist August Strindberg.

Mar. 15-May 30: French 19th century paintings — by Delacroix, Millet, Courbet and Impressionist painters — on loan from the Metropolitan Museum of Modern Art in New York.

SPAIN

BARCELONA: Centre Cultural de la Caixa (tel: 301.11.14). To Mar. 22: 165 examples of the drawing and graphic work of Edward Munch.

MADRID: Centro de Arte Reina Sofia. To Apr. 10: Touting retrospective exhibition, organized by the Museum of Modern Art in New York, of the graphic work of Jasper Johns.

To June 7: Retrospective comprising 200 works by the Mexican painter Diego Rivera (1886-1957).

HOLIDAYS & TRAVEL

In New York, where location is everything, there's nothing like the Barbizon. Just three short blocks from Bloomingdale, two blocks from Madison Avenue, the Barbizon is on a lovely residential street, just minutes from New York's business center.

Once inside this Manhattan landmark, you'll feel comfortable at home in an atmosphere of unpretentious elegance. So come stay at the Barbizon. It's New York at its best.

Golden Tulip Barbizon 140 East 63rd Street at Lexington Avenue, New York, NY 10021. Reservations: Call your nearest travel agent or KLM Royal Dutch Airlines.

Hotels advertisement for Dolder Grand Hotel Zurich. Includes a map of Zurich and contact information: Kortschstrasse 65, 8032 Zurich, Telephone (01) 251 62 31, Telex 816416, Telefax (01) 251 88 29.

Cruises advertisement for Mediterranean cruises. Text: HAVE A CRUISE NEXT SUMMER IN MED. Best crewed yacht in Western Med. Turkey, Portugal, Turkey.

Restaurant advertisement for Melbourne Australia. Text: AWARD WINNING RESTAURANT MELBOURNE AUSTRALIA. Described as a sophisticated first class restaurant offering one of the city's most elegant dining environments.

Holidays & Travel advertisement. Text: HOLIDAYS & TRAVEL appears every Friday For information call Françoise Clément in Paris on 46.37.93.82 or your local IHT representative (List in Classified Section).

FRANCE

PARIS: Centre Georges Pompidou (tel: 42.77.12.33). To Mar. 22: Oskar Kokoschka drawings, 1906-1926.

Bibliothèque Nationale (tel: 42.61.82.83). To May 3: The Human Form: 341 engravings by Rembrandt from the Bibliothèque Nationale's collection.

Ecole des Beaux-Arts (tel: 42.60.34.57). To May 10: Manishe: Rhythm and Line: 400 drawings, prints and book designs by Manishe from museums and collections in France and abroad.

To May 3: Istanbul, Illuminating the City, focuses on five centuries of Ottoman architecture and includes drawings, photographs, and architectural models.

Musée du Louvre (tel: 42.63.99.26). To June 1: Works by Watteau form the centerpiece of this selection of French 18th century drawings "From Watteau to Lenoxyer."

Musée du Luxembourg (45.53.82.05). To Apr. 15: Retrospective of the 17th century painter and portraitist Pierre Subleyras, known mainly for his religious compositions.

Musée du Petit Palais (tel: 42.65.12.73). To May 17: Northern Light: 170 works by Scandinavian artists, 1885-1905.

GERMANY

BERLIN: Berlinische Galerie (tel: 261.92.94). To April 4: Art in Berlin from 1870 to the present.

Nationalgalerie (tel: 2.66.6). To Mar. 8: Toulouse-Lautrec's Graphic Work.

Museum für Ostasiatische Kunst (tel: 83.01.382). To Mar. 15: Masterpieces of Japanese Woodcutting.

COLOGNE:

Josef-Haubrich-Kunsthalle (tel: 221.23.35). To March 8: Women in Ancient Egypt, a touring exhibition of 100 objects and artifacts from the National Museum in Cairo.

Wallraf-Richartz-Museum. To Mar. 22: Jacques Ignace Hittorf: An Architect from Cologne in Paris. Drawings by one of the chief architects of 19th century Paris.

Römisch-Germanisches-Museum (tel: 221.23.34). To Apr. 5: Scale copies of Etruscan funerary painting made by 19th century archaeologists.

As the international Herald Tribune news reports, lives and nations — of the Paris Herald today's first. With lively Hebe Dorsey, the can open an entire read with fascinating wonderful gift ide... THE BELLE ÉPOQUE... Payment is by credit card... by check in French francs... Please charge to other... by credit card... Euro...

WEEKEND

Blomstedt: Dresden to San Francisco

by David Stevens



Herbert Blomstedt.

PARIS — Herbert Blomstedt has no entry under his own name in the 20-volume New Grove Dictionary of Music and Musicians, a rare gaffe for this formidable encyclopedic work...

with eyes always on the part of the orchestra that needs the most attention, a clear beat, readable signals, some expansively sweeping gestures, and now and then a climactic sword-thrust of a cue that produces a backward kick of his left foot in unconscious reaction...

orchestra members were taken with Blomstedt as a musician's musician and made their feelings known. "I think that in the great orchestras today, you cannot bypass the players when you pick a music director," Blomstedt said...

from the Western world, a Christian." Until he got the permanent post, he lived when in Dresden — still very much a war ravaged city — in a guest room of the Seventh Day Adventist Church.

The V & A's 'Medieval Treasury' and Japanese Gallery

by Max Wykes-Joyce

LONDON — All too often, when we trouble to consider medieval art at all, we think of the gargoyles who proliferate on many cathedrals in Europe...

"The Gloucester Candlestick" is an extraordinary composition of gilded metals portraying a pyramid of men, monsters and foliage, bearing a Latin inscription which says "The devotion of Abbot Peter and his gentle flock gave me to the Church of St. Peter at Gloucester."

ling a giant snake, a man and a girl playing backgammon watched by four bystanders, and a warrior in combat with a monster (a plausible suggestion in the catalogue is Hercules and the Hydra).

centuries; Seto ware of the 14th century; Sigmaki ware of the 15th; and a fine selection of wares for the Chanoyu, the Tea Ceremony, including a masterpiece of 16th century pottery, a stoneware ewer with tripod feet, decorated with a lattice of stylized flowers in underglaze iron under a clear white crackle glaze; and an 18th century Hagriware teabowl with a crackled pink-grey glaze.



Inro in the form of a cicada, signed by Gyokushi.

Advertisement for 'THE BELLE ÉPOQUE' book. Includes illustrations of fashion from the Paris Herald and text describing the book's content and availability.

Subscription advertisement for the International Herald Tribune. Features a table with columns for Country, Currency, and various subscription rates, along with a 50% discount offer.

NYSE Most Actives table with columns: Vol., High, Low, Last, Chg.

Dow Jones Bond Averages table with columns: Bonds, Utilities, Industrials, Close, Chg.

Market Sales table with columns: NYSE 4 p.m. volume, NYSE prev. close, AMEX 4 p.m. volume, etc.

NYSE Diary table with columns: Close, Prev.

NYSE Index table with columns: High, Low, Close, Chg.

Odd-Lot Trading in N.Y. table with columns: Buy, Sell, % of total

Thursdays NYSE Closing logo with 'Via The Associated Press' text.

Dow Jones Averages table with columns: Open, High, Low, Last, Chg.

AMEX Diary table with columns: Close, Prev.

Standard & Poor's Index table with columns: High, Low, Close, Chg.

NASDAQ Index table with columns: Close, Chg., Week Ago, Year Ago

NASDAQ Diary table with columns: Close, Prev.

AMEX Most Actives table with columns: Vol., High, Low, Last, Chg.

AMEX Stock Index table with columns: High, Low, Close, Chg.

12 Month High Low Stock table (A) with columns: High, Low, Stock, Div., Yld., PE, etc.

12 Month High Low Stock table (B) with columns: High, Low, Stock, Div., Yld., PE, etc.

12 Month High Low Stock table (C) with columns: High, Low, Stock, Div., Yld., PE, etc.

12 Month High Low Stock table (D) with columns: High, Low, Stock, Div., Yld., PE, etc.

Dow Hits Record; Gains Narrow

NEW YORK — Prices on the New York Stock Exchange rose for the third consecutive session Thursday, boosting the Dow and other closely-followed indexes to record levels, but the breadth of the advance narrowed considerably.

Analysts said that General Motors Corp.'s buyback plan, announced Tuesday, remained a stronger influence on the market than political developments in Washington.

The Dow Jones industrial average jumped 18.98 points, closing at a record 2,746.43. But advances led declines by only a 9-to-7 ratio. Volume amounted to 205.43 million shares, up from 198.41 million Wednesday.

Broad market indicators Thursday topped records set only a day earlier.

The New York Stock Exchange composite index of all listed common stocks rose 1.00 to 165.41. Standard & Poor's 500-stock index jumped 1.90 to 290.52. The price of an average share rose 26 cents.

The market surged early, and despite some afternoon weakening in the broad market, blue-chip issues held the high ground throughout the day.

Hugh Johnson, head of the investment policy committee at First Albany Corp., attributed the rise to the continued availability of cash.

"The General Motors buyback plan dramatized liquidity at work," he said. "Corporate cash flows are rising while earnings are moving sideways."

GM stock, however, fell 1 1/2 to 78 1/4 in active trading.

Mr. Johnson said that a more stable U.S. dollar had allowed investors to conclude that the Fed would not have to boost interest rates. That view has come "as a relief and a breath of fresh air" to both the bond and equity markets, Mr. Johnson said.

He said that investors expect Friday's report on February unemployment to show that the economy is still in the "no-boom, no-bust" phase that presents the "best of all possible worlds" for stock market forecasters.

Some traders said that President Ronald Reagan's address to the nation Wednesday night appeared to calm investors.

"The speech and the Howard Baker appointment cleared the air a little bit," said Jack Baker, head of the equity block trading desk at Shearson Lehman Brothers. "It helped Wall Street sentiment, which had been very poor."

But Mr. Johnson said that the impact of Mr. Reagan's speech was negligible.

"There was some polite applause, but enough skepticism is left that to say prices rose due to the administration's actions would be totally misleading," Mr. Johnson said.

Prices rose in active trading on the American Stock Exchange.

The American Stock Exchange's market value rose to a record 328.47, its highest since 1979. The price of an average share rose 15 cents. Advances led declines 341-269 among the 838 issues traded. Composite volume totaled 21.4 million, compared with 17.964 million Wednesday.

12 Month High Low Stock table (E) with columns: High, Low, Stock, Div., Yld., PE, etc.

12 Month High Low Stock table (F) with columns: High, Low, Stock, Div., Yld., PE, etc.

12 Month High Low Stock table (G) with columns: High, Low, Stock, Div., Yld., PE, etc.

12 Month High Low Stock table (H) with columns: High, Low, Stock, Div., Yld., PE, etc.

12 Month High Low Stock table (I) with columns: High, Low, Stock, Div., Yld., PE, etc.

12 Month High Low Stock table (J) with columns: High, Low, Stock, Div., Yld., PE, etc.

12 Month High Low Stock table (K) with columns: High, Low, Stock, Div., Yld., PE, etc.

12 Month High Low Stock table (L) with columns: High, Low, Stock, Div., Yld., PE, etc.

12 Month High Low Stock table (M) with columns: High, Low, Stock, Div., Yld., PE, etc.

12 Month High Low Stock table (N) with columns: High, Low, Stock, Div., Yld., PE, etc.

12 Month High Low Stock table (O) with columns: High, Low, Stock, Div., Yld., PE, etc.

12 Month High Low Stock table (P) with columns: High, Low, Stock, Div., Yld., PE, etc.

12 Month High Low Stock table (Q) with columns: High, Low, Stock, Div., Yld., PE, etc.

12 Month High Low Stock table (R) with columns: High, Low, Stock, Div., Yld., PE, etc.

Shell Ad logo

France to Re Ownership In Bull March

COMPANY INC

N.Y. Judge Re Against GM fo

TECHNOI

هكذا من الأهل

The new watchword!
LeClip
SWISS QUARTZ

هكمان النحل

LeClip
SWISS QUARTZ
ALL DEPARTMENT STORES, JEWELERS, DUTY FREE AND ON AIRLINES

TECHNOLOGY
5 Handy Reference Works On a Single CD 'Bookshelf'

By **ANDREW POLLACK**
New York Times Service

SEATTLE — Imagine having a dictionary, thesaurus, a World Almanac, Bartlett's Familiar Quotations, and a national zip code directory all on a tiny disk with the information retrievable instantly by computer. Such a disk was introduced Tuesday, and it illustrates the vast potential of technology known as CD-ROM.

What illustrates the potential even more, perhaps, is that all of those references together take up less than half the capacity of the compact disk.

The development of CD-ROM, which stands for compact disk read-only memory, is an attempt to exploit the compact disks already popular for playing music, as a computer peripheral. The advantage is that a single disk, the size of a conventional compact disk, can store 550 megabytes of data, the equivalent of 1,500 floppy disks or a quarter of a million pages of typewritten text. Unlike floppy disks, however, the CD-ROMs do not permit users to record or erase information on their own.

CD-ROM systems have been available for two years, but the market has been slow to develop. Still, about 1,200 people attending a conference on the technology this week in Seattle are confident the systems are starting to catch on. CD-ROM disks and players will even be sold at retail for the first time this year.

"I'm encouraged by the groundswell we feel beneath us," said Kenneth S. Shain, president of Geovision Inc., a Norcross, Georgia, company that sells geographic data on CD-ROM (pronounced see-dee-rahm).

So far, only 12,000 disk systems have been sold, according to Thomas M. Lopez, vice president of the CD-ROM division of Microsoft Corp., which is sponsoring the conference. But he expects sales of 100,000 this year.

About 130 applications have been developed for CD-ROM, Mr. Lopez said. Such applications mainly take the place of voluminous paper manuals or the connection to central computer data bases.

HONDA DEALERS are starting to use auto parts catalogs on CD-ROM disks. McGraw-Hill has introduced a combination of its scientific encyclopedia and dictionary on disk. Donnelly Marketing Information Services has introduced a data base containing demographic data for 250,000 neighborhoods in the United States. The data can be used for such purposes as selecting a restaurant site.

Micromedex, a subsidiary of Mead Data Central, sells a data base containing information on poisonous substances for use in hospitals and poison centers. And Lotus Development Corp. has introduced a financial data base. Experts say that telephone directories, tax and legal codes and census data are appearing or will appear on CD-ROM.

In most cases, the disks sell for hundreds of thousands of dollars and the disk players are sold with the disks. To try to open the retail market, Microsoft introduced Tuesday what it hopes will be the first general purpose CD-ROM program. Called Microsoft Bookshelf, the \$300 program contains the thesaurus, zip code directory, almanac, spelling checker, Bartlett's quotations and several other reference works.

A person typing a letter on a word processor and needing a zip code, for instance, can quickly switch into Bookshelf, retrieve the zip code, and have it inserted automatically into the letter.

To run Bookshelf, the first CD-ROM players to be sold at retail will be introduced by Amdek, a computer monitor manufacturer. The players, actually made by Hitachi Ltd. of Japan, will be sold with Bookshelf for a total price of \$1,100. Sears Business Systems Centers will be the first retailers to carry the machines.

Despite these positive developments, many in the industry say that market development is taking longer than expected. Edward See TECHNOLOGY, Page 13

Currency Rates

Cross Rates	March 5
American \$	1.0000
British (sterling)	1.7425
French (franc)	6.5596
German (DM)	1.9364
Italian (lira)	2036.27
Japanese (yen)	161.00
Swiss (franc)	2.0000
Spanish (pta)	166.64
U.S. dollar (per 100)	100.00

Other Dollar Values

Currency per U.S.	March 5
Australian \$	1.4825
Canadian \$	1.3325
Denmark (krone)	8.4660
West German (DM)	1.9364
Swedish (krona)	8.4660
Swiss (franc)	2.0000
Japanese (yen)	161.00
South African (rand)	2.0000

Interest Rates

Rate	March 5
1 month	6.75%
3 months	7.00%
6 months	7.25%
1 year	7.50%

Key Money Rates March 5

Rate	March 5
1 month	6.75%
3 months	7.00%
6 months	7.25%
1 year	7.50%

U.S. Money Market Funds

Fund	March 5
Merrill Lynch Bond Asset	5.30
Teleread Interest Rate Index	5.93

Gold

Price	March 5
London	418.25
New York	418.25

All's Fare in the 'Dark Science' of the Airline Wars

By **Eric Schmitt**
New York Times Service

DALLAS — In the U.S. airline business, it is sometimes called the dark science.

The latest round of fare wars, however, has put a spotlight on how carriers use state-of-the-art computer software, complex forecasting techniques and a little intuition to divine how many seats at what prices they will offer on any given flight.

The aim of this inventory, or yield, management, is to squeeze as many dollars as possible out of each seat and mile flown. That means trying to project just how many tickets to sell at a discount without running out of seats for the business traveler, who usually books at the last minute and therefore pays full fare.

Too many wrong projections can lead to huge losses of revenue, or even worse. The inability of People Express to manage its inventory of seats properly, for example, was one of the major causes of its demise.

"It's a sophisticated guessing game," said Robert E. Martens, vice president of pricing and product planning at American Airlines, the carrier that has the most advanced technology for yield management, according to airline analysts and consultants. "You don't want to sell a seat to a guy for \$69 when he's willing to pay \$400."



American Airlines reservation centers feed data to "yield managers" in Dallas who monitor and adjust the fare mixes on 1,600 daily flights and 528,000 future flights.

With the industry now adopting very low discount but non-refundable fares, the complex task of managing seat inventory may become easier because airlines will be better able to predict how many people will show up for a flight.

Some airlines have already seen a drop in their no-shows, which means they can overbook less and spare more customers from being bumped. The non-refundable fares could also enable carriers to sell more discount seats weeks before a flight, rather than putting them on sale at the last minute in an effort to fill up the plane.

American's inventory operation illustrates just how complicated the process can be.

At the airline's corporate headquarters here, 90 yield managers are linked by terminals to five International Business Machines mainframe computers in Tulsa, Oklahoma. The managers monitor and adjust the fare mixes on 1,600 daily flights as well as 528,000 future flights involving nearly 50 million passengers. Their work is hectic: A fare's average life span is two weeks, and industrywide about 200,000 fares change daily.

American and the other airlines base their forecasts largely on past profiles of each flight. Business travelers, for example, book heavily on many Friday afternoons.

Brazil Needs \$6.4 Billion This Year, Paper Says

Compiled by Our Staff From Dispatches

SAO PAULO — Brazil, facing reduced foreign exchange earnings in 1987, will require at least \$6.4 billion in external financing to balance its payments, the influential newspaper Folha de São Paulo reported.

Brazil, the developing world's biggest debtor nation, initially may apply for a rescheduling of around 75 percent of the interest on its external debt over a 20-year period, the paper said Wednesday.

The report came as Finance Minister Dilson Funaro was winding up a tour of West European capitals to discuss Brazil's decision to suspend interest payments on part of its estimated \$109 billion external debt.

The newspaper cited Finance Ministry projections that Brazil's external trade surplus would be less than initially estimated in 1987, about \$7.5 billion to \$8 billion rather than \$11.5 billion.

The paper said that if Brazil made interest payments of only \$4.8 billion this year, it would

require from \$6.4 billion to \$6.9 billion in fresh financing from foreign banks.

However, the paper added that if Brazil were to receive \$2.35 billion from multilateral and foreign government sources, it would require only \$4 billion to \$4.5 billion from the banks.

In Rome, Mr. Funaro on Thursday summed up his tour of Britain, France, West Germany and Switzerland, saying that Brazil was aiming to settle the debt issue at the political level. He said he expected all European countries to help Brazil maintain a growth-oriented policy and secure additional financing.

He said that he was making plans to travel to Japan to continue explaining Brazil's to suspend the debt interest payments.

"Brazil is not asking for a pardon," Mr. Funaro said. "We are only asking for a refinancing mechanism."

On Wednesday, after meetings with the Swiss, Mr. Funaro once again rejected the idea of securing fresh loans by reimposing austerity measures.

"We aren't going to make the adjustments we made in 1982 that provoked the largest recession we have ever had," he said.

However, Waldemar Jucker, director of the Swiss Finance Administration and the country's No. 2 finance official, said Wednesday that Mr. Funaro's delegation had made no concrete requests for government aid.

Swiss banks held about 3.5 billion Swiss francs (\$2.26 billion) in loans to Brazil at the end of 1985. Separately, the Swiss government has guaranteed about 1 billion Swiss francs in export credits, Mr. Jucker said.

(AP, AP)

Argentina Seeks Debt Extension

Argentina will tell its creditors it needs an extension of deadlines for payment of capital and interest on its \$30 billion foreign debt, the industry and foreign trade secretary, Roberto Lavagna, said Wednesday in Buenos Aires, Reuters reported.

3% Growth Rate Predicted for West Germany

By **Ferdinand Protzman**
International Herald Tribune

FRANKFURT — West Germany's economy will grow by 3 percent in 1987, on the strength of expansive monetary policy, according to a surprising report released Thursday by the World Economic Institute in Kiel.

But strong growth in the money supply of the world's industrialized economies is likely to stoke inflation, and could lead to global recession by the end of 1988, an economist at the institute said.

The Kiel Institute, as it is known, is one of five economic research groups that advise the Bonn government on economic policy. The prediction of 3 percent growth in West Germany's gross national product in 1987 is far more optimistic than recent forecasts.

"I wouldn't call the report so optimistic," said Klaus-Werner Schatz, director of the institute's economic research section. "We left our forecast for 1987 as it was. But we also pointed out the risks involved with the current expansive monetary policy in most industrial nations."

Several other institutes recently cut their 1987 GNP projections to between 1.5 percent and 2.0 percent expansion from earlier estimates of 3 percent. GNP measures the total value of a nation's output of goods and services.

In 1986, West Germany's GNP is estimated to have expanded at an adjusted 2.5 percent, according to statistics released in mid-February by the Bundesbank, the central bank. That estimate fell short of government projections of 3 percent growth for the year.

More significantly, the Bundesbank said, GNP did not grow at all in the fourth quarter of 1986, with rising domestic demand only compensating for declining exports. The Deutsche mark's steep rise against the dollar was blamed for the drop in exports.

The institute, however, is treating the stagnation in the fourth quarter as aberrant. Mr. Schatz said that expansive monetary policy would further stimulate domestic demand in 1987, causing it

to rise of 4.5 percent. The export outlook is also less bleak than many experts believe, he added.

"About 72 percent of our exports go to industrial nations other than the United States," Mr. Schatz said. "The decline of the dollar has hurt some, but the greatest drop in exports has been to OPEC nations and the Soviet Union, not the U.S."

"The dollar was even lower than its current levels in the 1970s and we still had exports," he said. "There is likely to be a slight rise in 1987."

More disturbing than the effect of shifting exchange rates on exports is the "very expansive monetary policies industrial nations are following," Mr. Schatz said. While the expansion of money supplies will help boost demand, it also risks rekindling inflation.

The Bundesbank president, Karl Otto Pöhl, has repeatedly said that price stability and tightly checked monetary growth were the keys to West Germany's policy of steady, spectacular economic growth.

But Mr. Schatz said that West Germany's 0.8 percent deflation in 1986, and the declining levels of inflation in other industrial nations for the year, should be credited mostly to the collapse of world crude oil prices, not strict monetary control.

"We're not going to see oil prices drop like that again," Mr. Schatz said. "As for monetary expansion, I'm not sure it is so easily controlled."

Recent preliminary figures show that West Germany's money supply is growing well above the Bundesbank's target range of 3 percent to 6 percent for 1987. The central bank money supply, the key measure of money supply growth, grew at a preliminary 9.4 percent annualized rate in January.

In 1986, money supply growth also far exceeded its target range of 3.5 percent to 5.5 percent. The central bank money supply consists of cash in circulation and banks' required minimum reserves on domestic liabilities.

"By the end of 1988, the industrial nations' central banks could be faced with rapid inflation," Mr. Schatz said.

U.S. Growth Threatened, Congressional Study Says

WASHINGTON — The U.S. economy faces several serious problems threatening its continued expansion, according to a Congressional report released Thursday.

The report by the Democratic majority of the congressional Joint Economic Committee predicted sluggish growth in the United States and the rest of the world in the near future.

Committee Republicans released a separate, more optimistic, report predicting continued stable growth with low inflation.

Democrats have a 12-to-8 majority on the committee of 10 senators and 10 representatives.

Although prepared in advance, the report comes out just after declines announced this week in January's index of U.S. leading economic indicators, which is supposed to forecast economic growth, and in factory orders.

The annual report of the committee surveys a \$3.7 trillion economy whose tranquil appearance obscures the danger signals that lie just below the surface, said the committee chairman, Senator Paul S. Sarbanes, Democrat of Maryland.

"A close inspection of the economy reveals that the current recovery, while long, is fragile, and we are skating on thin ice," he added.

The report cited "danger signals" that include a fall in investment, higher demand for borrowing, possibly higher inflation fueled by rising oil prices and a depressed agricultural sector hurt by low commodity prices.

Republicans said most private economists saw no likelihood of recession and estimated growth of around 3 percent this year and next, similar to Reagan administration forecasts.

Last year, U.S. economic growth was only 2.5 percent, with inflation of 1.1 percent.

"The economy appears to be on a path of stable growth. We're comfortable with the current low rate of inflation, hopeful that interest rates will continue to decline, optimistic that employment opportunities will continue to improve and confident in this nation's resilient, innovative and diversified economy," the Republican report said.

The greatest economic challenge was to reduce the huge U.S. budget deficit, the Republicans added.

The Democrats also said the budget deficit should be cut but favored more spending on education, health, job training and research and development.

But they said it might be difficult to cut interest rates to stimulate the economy, because that might result in a still weaker dollar. A lower dollar could cause inflation as the prices of imports rose.

WASHINGTON — The U.S. economy faces several serious problems threatening its continued expansion, according to a Congressional report released Thursday.

The report by the Democratic majority of the congressional Joint Economic Committee predicted sluggish growth in the United States and the rest of the world in the near future.

Committee Republicans released a separate, more optimistic, report predicting continued stable growth with low inflation.

Democrats have a 12-to-8 majority on the committee of 10 senators and 10 representatives.

Although prepared in advance, the report comes out just after declines announced this week in January's index of U.S. leading economic indicators, which is supposed to forecast economic growth, and in factory orders.

The annual report of the committee surveys a \$3.7 trillion economy whose tranquil appearance obscures the danger signals that lie just below the surface, said the committee chairman, Senator Paul S. Sarbanes, Democrat of Maryland.

"A close inspection of the economy reveals that the current recovery, while long, is fragile, and we are skating on thin ice," he added.

The report cited "danger signals" that include a fall in investment, higher demand for borrowing, possibly higher inflation fueled by rising oil prices and a depressed agricultural sector hurt by low commodity prices.

Republicans said most private economists saw no likelihood of recession and estimated growth of around 3 percent this year and next, similar to Reagan administration forecasts.

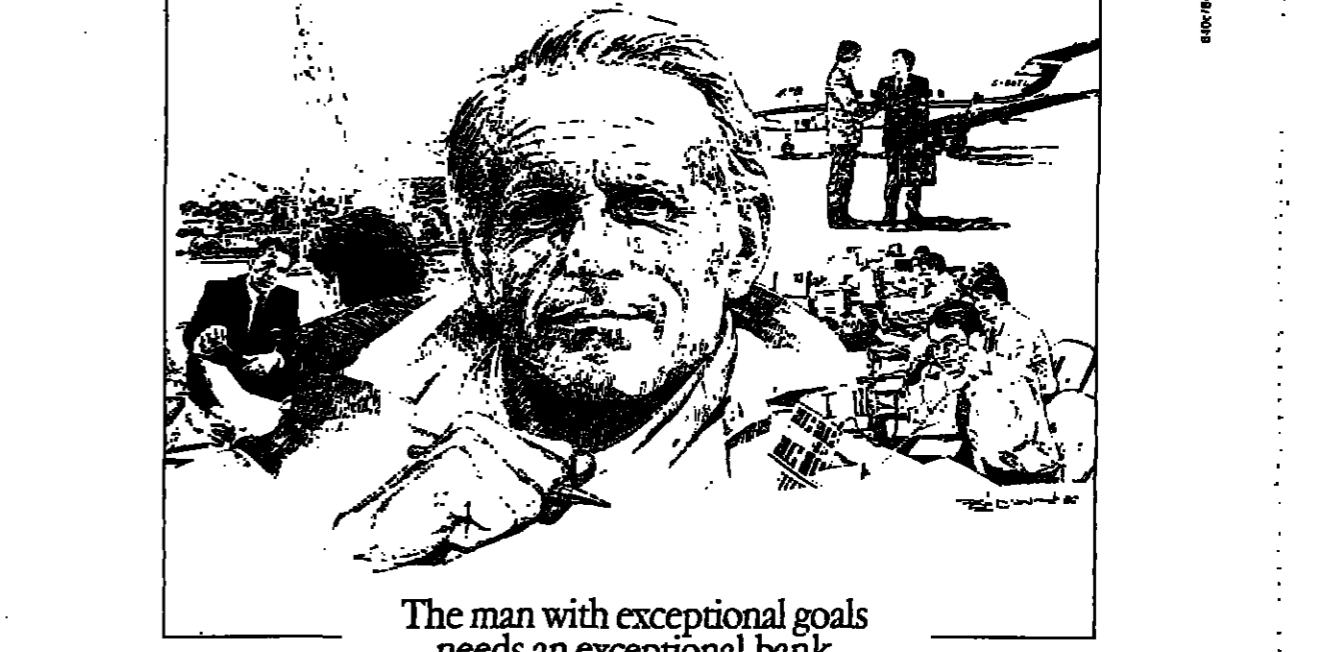
Last year, U.S. economic growth was only 2.5 percent, with inflation of 1.1 percent.

"The economy appears to be on a path of stable growth. We're comfortable with the current low rate of inflation, hopeful that interest rates will continue to decline, optimistic that employment opportunities will continue to improve and confident in this nation's resilient, innovative and diversified economy," the Republican report said.

The greatest economic challenge was to reduce the huge U.S. budget deficit, the Republicans added.

The Democrats also said the budget deficit should be cut but favored more spending on education, health, job training and research and development.

But they said it might be difficult to cut interest rates to stimulate the economy, because that might result in a still weaker dollar. A lower dollar could cause inflation as the prices of imports rose.



The man with exceptional goals needs an exceptional bank

WHAT MAKES TDB EXCEPTIONAL? ABOVE ALL, OUR PERSONAL SERVICE

Personal service is more than just a tradition at TDB — it's one of the basic reasons for our success over the years. And it makes an important difference to our clients, in a number of ways.

In fast decisions, for example. At TDB you don't have to waste time going through endless "channels." The executive you talk to makes certain that your requirements are brought directly to the people who decide. We make it a point to avoid red tape and bottlenecks.

We assign an experienced bank officer to your account and he is personally responsible for seeing that things get done on your behalf. So you can be sure your instructions are carried out promptly, intelligently and to the letter.

Moreover, as part of American Express Bank Ltd., with its 85 offices in 39

countries, we serve your individual needs virtually anywhere in the world. Through this global link, we also provide access to the broad choice of investment opportunities offered by the American Express family of companies. In addition, for certain clients, we also provide the prestigious American Express Bank Gold Card® and our exclusive Premier Services™ for round-the-clock personal and travel assistance.

Whatever your requirements you'll find that TDB has something a bit special to offer. Visit us on your next trip to Switzerland, or telephone: in Geneva, 022/37 21 11; in Chiasso, 091/44 87 83.

TRADE DEVELOPMENT BANK

An American Express company

TDB, the 6th largest commercial bank in Switzerland, is an affiliate of American Express Company, which has assets of more than US\$92 billion and shareholders' equity in excess of US\$5.7 billion.

The Trade Development Bank head office in Geneva, at 96-98, rue du Rhône.

Shell 4th-Quarter Profit Falls 12.8%

Compiled by Our Staff From Dispatches

LONDON — The Royal Dutch/Shell Group reported Thursday that its fourth-quarter profit fell 12.8 percent to \$752 million (\$1.18 billion at current exchange rates) from \$863 million, as lower crude oil prices halved exploration and production earnings.

The giant Anglo-Dutch oil company's fourth-quarter net sales dropped 28 percent from the comparable 1985 period, to \$11.1 billion from \$15.4 billion.

For the full year, profit slipped 16 percent to \$2.54 billion from \$3.03 billion in 1985, with sales falling 30 percent to \$44.2 billion from \$63.1 billion.

Although the figures were lower, they were nonetheless at the top of stock market forecasts. Shares of Shell Transport & Trading PLC, the group's British arm, rose to

£11.42 from a close Wednesday at £11.08.

Analysts noted that a general collapse in exploration and production volumes was partially offset by earnings from chemicals, which more than doubled to \$462 million for the year from £205 million in 1985.

Earnings per share dipped to 24.1 pence in the final quarter for the British unit from 28.7 pence, for an annual 81.6 pence compared with 100.9 pence in 1985. For the Netherlands company, Royal Dutch Petroleum, the quarterly per-share earnings fell to 5.16 guilders (about \$2.49 at current exchange rates), from 8.40 guilders, and totaled 21.19 guilders for the year from 30.13 guilders.

The company said exploration and production earnings plummeted 50 percent in 1986, despite higher crude oil production and natural

gas sales, because of sharply lower crude oil prices. Last year oil prices plunged just below \$10 a barrel in April from \$27 in January, before recovering to the midteens. Royal Dutch, the parent of the Houston-based Shell Oil, said its U.S. earnings were "particularly affected."

Shell Oil's dollar profit fell 47 percent in the year, while the additional effect of the weaker dollar cut the contribution to group income by 57 percent to \$472 million.

Refining, marketing and transportation earnings improved, but Royal Dutch said higher profit margins were partly offset by heavy inventory holding losses on crude oil products.

On a replacement-cost basis, which excludes gains or losses on inventories, fourth quarter earnings were down 36 percent at \$600 million.

(UPI, Reuters, AFP)

US Air Rejects Bid by TWA As 'Grossly Inadequate'

The Associated Press

WASHINGTON — USAir Group Inc. on Thursday rejected a takeover offer by Trans World Airlines as "grossly inadequate" and "nothing more than an attempt... to disrupt" USAir's offer to purchase Piedmont Aviation Inc.

A USAir spokesman, David Shipley, said the airline would proceed with its attempt to purchase Piedmont despite the offer Wednesday by TWA's chairman, Carl C. Icahn, to buy USAir for \$52 a share in cash, or \$1.4 billion.

Mr. Shipley said the board of USAir had instructed its lawyers to fight the move by TWA. Mr. Icahn on Wednesday disclosed that TWA was "Piedmont's largest shareholder" and threatened to take the bid directly to USAir's stockholders via a tender offer.

The offer appeared to cloud USAir's aggressive \$1.65 billion bid of cash and stock for Piedmont. It may also complicate the company's \$400 million acquisition of Pacific Southwest Airlines, although that transaction was given final approval Thursday by the Department of Transportation.

Mr. Icahn, a well-known takeover strategist who won control of TWA last year, said he also would be interested in a combination of TWA, USAir and Piedmont, but did not elaborate.

Chairman Steps Down Early at RJR

By Arthur Hipbee
International Herald Tribune

J. Tyles Wilson is stepping down ahead of time as chairman of RJR Nabisco Inc., according to an annual report just published by the company. No successor was named, but industry sources said the move reflected the increasing influence of F. Ross Johnson, the president, who assumed the title of chief executive officer from Mr. Wilson in January.

Mr. Wilson originally had been scheduled to step down in January 1988. There was no explanation for his accelerated departure, but he will remain as a consultant until the end of the year.

The move also reflects the increasing preponderance of Nabisco, the company's food processing branch, over RJR, the tobacco branch.

When RJR Nabisco was formed in a merger in 1985, a majority of the executives were RJR people. Today, of 20 corporate executives, 13 are from the Nabisco side.

Both Mr. Wilson and Mr. Johnson are 55. In recent months Mr. Wilson has announced plans to sell the company's Heublein wine and liquor interests and to move company headquarters from Winston-Salem, North Carolina, to the RJR headquarters before the merger, to Atlanta. Nabisco was formerly based in Parsippany, New Jersey.

Microelectronics & Computer Technology Corp. of Austin, Texas, a research consortium of 20 large computer, electronics and military contractors, has elected Grant A. Dove as chairman and chief executive officer, effective in July.

The consortium was brought together four years ago by Bobby R. Inman, a former admiral and deputy director of the U.S. Central Intelligence Agency. Mr. Inman, 55, left last year to head Westmark

Arjil, French Communications Giant, Branches Out With Full-Service Bank

International Herald Tribune

PARIS — With government deregulation and product innovation breathing new life into French financial markets and investment banking targeted as a new growth business, the communications empire run by Jean-Luc Lagardère is expanding into banking.

Banque Arjil, already licensed by the French authorities, will be 85 percent owned by Arjil SA, the personal holding company of Mr. Lagardère.

Mr. Lagardère, 59, is chairman of Matra, the government-controlled missile and electronics company. Through Arjil, he controls Hachette SA, the publishing company now bidding to purchase TF1, France's largest television station, from the government.

The full-service bank will be run by Christian Giacomotto, a veteran banking executive, as chairman. Mr. Giacomotto previously was the chief operating officer of Crédit Industriel et Commercial, a group of regional banks nationalized in 1981 by the Socialists and now slated to be sold back to private investors.

Banque Arjil has an initial capitalization of 130 million francs (\$19.7 million). It aims to be a full-service bank raising money for its corporate clients, arranging mergers and acquisitions, managing the investments of institutional and private clients, advising companies on their treasury operations and financing new ventures.

France to Retain Ownership Veto In Bull Machines

Reuters

PARIS — The Finance Ministry will create a "golden share" in Compagnie des Machines Bull to maintain control over the ownership structure of the computer group after its planned denationalization, the government publication Journal Officiel said Thursday.

Bull, which was nationalized in 1982, is 90.5 percent state-owned. The golden share mechanism gives the Finance Ministry a five-year right to veto the acquisition by French or foreign investors of any shareholding of more than 10 percent in a denationalized company regarded as strategically important to the economy.

The mechanism was used for the first time last year when the government sold an 11 percent stake in the oil group Société Nationale Elf Aquitaine.

Bull is on the government's list of 65 companies for denationalization by 1992.

Last year Bull announced an agreement with Honeywell Inc. and Japan's NEC Corp. to pay \$130 million for a 42.5 percent stake in a joint venture that would take over Honeywell Information Systems Ltd.

U.S. Firm Seen Mounting Bid for San Miguel

By Nicholas D. Kristof
New York Times Service

MANILA — The New York investment firm Allen & Co. is trying to form an investor group to acquire San Miguel Corp., by far the largest company in the Philippines, according to a government official.

Ramon Diaz, the secretary-designate of the Presidential Commission on Good Government, said Wednesday in an interview that Allen was seeking to assemble a group of foreign and local investors to make a bid.

He said that Elders P.L. Ltd., a Melbourne-based brewery, and Bond Corp. International, the Asian company owned by Alan Bond, an Australian brewer and entrepreneur, also were interested in acquiring at least a stake in San Miguel.

San Miguel is a pillar of the Philippine economy. With its subsidiaries, it accounts for 3.5 percent of the country's gross national product and 5 percent of its tax revenue.

The conglomerate started as a brewery and

still supplies more than 90 percent of the beer in the Philippines. But it has diversified and now supplies 90 percent of the country's ice cream, 40 percent of its cheese and 98 percent of its milk. In addition, it owns 70 percent of the Coca-Cola bottling company in the Philippines.

Mr. Diaz said that a representative of Allen & Co. had met with him several times. Analysts said that acquiring the company would be difficult but not impossible, and would cost \$1 billion or more. Under local laws, Filipinos would have to retain 60 percent or more of the company.

Bert Pasquin, a spokesman for San Miguel, said he could not comment on the report. In Hong Kong, Siu Ka-ye, a spokesman for Bond, said he was unaware of any acquisition discussions with the Philippine company. And in Melbourne, a spokesman for Elders, Robin Coffey, said it was his company's policy not to comment on acquisition rumors.

But insiders at Allen said that an agreement was "in the embryonic stage" and "could be six

months away." The Allen family has had major interests in the Philippines for more than 40 years and once controlled Benguet Consolidated Mining Co.

San Miguel is in a state of transition because of the change of government last year in the Philippines, and just over half of its shares have been sequestered by Mr. Diaz's government commission. The shares are believed to have been controlled by associates of former President Ferdinand E. Marcos and purchased with illegally obtained funds.

Mr. Diaz said he wanted the shares to be sold soon to end the uncertainty about San Miguel's ownership. That necessity put a majority of the outstanding stock on the market.

The chairman of San Miguel, Andres Soriano 3d, the American-educated scion of the family that built the brewery into a major company, lost ownership of San Miguel during Mr. Marcos's reign and sought to recover control last year. Analysts said he would be a likely Philippine partner in an investor group.

Swedish Match Profit Nearly Quadruples

By Jucis Kaza
Special to the Herald Tribune

STOCKHOLM — Swedish Match, the maker of matches, lighters, floor coverings and kitchen furnishings, said Thursday that its net income nearly quadrupled last year to 754 million kronor (\$117 million) from 195 million kronor in 1985.

Sales were barely changed at 10.9 billion kronor, compared with 10.7 billion in 1985.

The company's president, Hans Larsson, attributed much of the sharp improvement to a one-time gain from last year's sale of Swedish Match's shares in Huvudstaden, a real estate holding company. The sale resulted in an after-tax gain of 403 million kronor.

The results were in line with analysts' predictions.

Mr. Larsson said proceeds from the Huvudstaden sale were used to

retire some debt and to reduce costs.

He also said that West Germany's antitrust agency had said it would not interfere with the Swedish group's acquisition of Pegulan AG, a floor-coverings manufacturer, from BAT Industries. Swedish Match says the purchase will about double its sales of floor coverings, which totaled 2.6 billion kronor last year.

Operating profits for the group rose slightly to 667 million kronor from 649 million kronor in 1985.

But in the group's single largest business area, Consumer Products — which include traditional matches and lighters — operating earnings fell 30 percent to 174 million kronor from 253 million kronor in 1985. The lower figure partly reflected losses at the Cricket lighter operation, which the group acquired from Gillette Co. of the United States in 1985.

Operating earnings rose at all other divisions, except the Alby chemicals unit, which had costs associated with start-up operations in Canada.

Mr. Larsson denied reports that Swedish Match was considering selling its Aakerfjord & Ransing packaging subsidiary, calling it the unit with "the greatest potential for growth." The packaging subsidiary boosted operating profits to 90 million kronor from 58 million kronor in 1985.

Swedish Match proposed an increase in the dividend to 12.50 kronor per share from 10.50 kronor in 1985. The company also announced a share split that would divide all present shares into five new shares.

to set up a brokerage firm. Mr. Riverin is president of the Caisse Centrale Desjardins, the main investment arm of Quebec's huge credit union movement.

Den norske Creditbank of Norway has promoted Lars U. Thulin from deputy managing director of its London subsidiary to chief executive there. Mr. Thulin, 46, replaces Stein West-Aas, 43, who is returning to the parent bank in Norway in a management position.

Goodyear Tire & Rubber Co.'s chairman, Robert E. Mercer, 63, said in a speech denouncing corporate raiders and takeover specialists that "terrorists in three-piece suits" are attacking the U.S. industrial base. Goodyear, headquartered in Akron, Ohio, fought off a hostile takeover bid last year by the British industrialist Sir James Goldsmith.

to set up a brokerage firm. Mr. Riverin is president of the Caisse Centrale Desjardins, the main investment arm of Quebec's huge credit union movement.

Den norske Creditbank of Norway has promoted Lars U. Thulin from deputy managing director of its London subsidiary to chief executive there. Mr. Thulin, 46, replaces Stein West-Aas, 43, who is returning to the parent bank in Norway in a management position.

Goodyear Tire & Rubber Co.'s chairman, Robert E. Mercer, 63, said in a speech denouncing corporate raiders and takeover specialists that "terrorists in three-piece suits" are attacking the U.S. industrial base. Goodyear, headquartered in Akron, Ohio, fought off a hostile takeover bid last year by the British industrialist Sir James Goldsmith.

Fed Proposes Swap Rules for Banks

By Eric N. Berg
New York Times Service

NEW YORK — The Federal Reserve Board and the Bank of England, in another move aimed at strengthening the world banking system, have announced a new proposal that would require increased capital levels at banks.

The announcement Wednesday reflected a deepening concern among regulators that banks are undercapitalized, given the increasingly risky nature of their assets, including loan obligations, and globalization of financial markets.

The new proposal would require banks to set aside capital for "interest-rate swaps" and "currency swaps."

Swaps, in which commercial banks and investment banks act as intermediaries, allow a corporation to borrow in one form and pay back at a rate that is the cheapest or in a currency to which it has access.

A company might, for example, seek to exchange obligations in one currency for obligations in another currency. Or it could exchange a variable-rate obligation for one with a fixed rate.

The proposal, which would make some of the largest American and British financial institutions raise cash, would have a major effect on only a few huge banks, such as

Citibank, Bankers Trust, Chemical Bank and Manufacturers Hanover.

It received a chilly reception from bankers. At the American Bankers Association, William Boies, a lawyer and lobbyist for the trade group, said the Fed's proposal could "drive banks out of the market for swaps or cause them to be left with the riskiest credits."

In recent months, several regulators have urged moves to strengthen banks. L. William Seidman, chairman of the Federal Deposit Insurance Corp., has called for a closer link between a bank's insurance premiums and the risks it takes. Robert L. Clarke, the U.S. Comptroller of the Currency, has called for increased power to rescue failing banks.

The emergence of swaps as the fastest growing area in commercial banking has meant increased risk to the banks.

Problems arise for banks when one of the borrowers in a swap defaults. Under a swap, a bank agrees to make interest or principal payments for a defaulted borrower.

The concern of Fed officials about swaps has been heightened by the fact that under current ac-

COMPANY NOTES

Bank of America is selling its license for Visa credit cards in West Germany to Banco de Santander of Spain, for more than 40 million Deutsche marks (about \$21.8 million), West German banking sources said.

British Aerospace PLC's civil aircraft division has received new orders worth over \$260 million for 13 of its BAe 146 regional jetliners and six Jetstream 31 light commuter planes. It will increase production of the BAe 146 to 40 planes a year by 1990 from 28.

Castle & Cooke, the U.S. food company, will sell slightly more than half of its Flami-Van shipping container leasing operations to Irel Corp. for about \$215 million in cash, notes and stock, for an after-tax loss of \$33.9 million. The loss was recognized in the company's fourth quarter, resulting in a \$31.9 million loss for the period compared with a \$3.3 million loss in the fourth quarter of 1985. Irel is already in the container-leasing business.

Compagnie Française des Pétroles subsidiary, Total Marine North, has signed an accord with a Norwegian consortium, Boconor, to market oil projects in the Soviet Union. Total Marine's director, Rolf Erik Rolfsen, said he had the impression after visiting Moscow that the Soviet Union was interested in cooperating with Western companies to develop offshore oil and gas fields.

Compagnie Générale d'Electricité, the French electrical engineering group, is likely to be denationalized during May of this year, sources close to France

Minister Edouard Balladur said. It would follow closely the denationalizations of the TFI television channel and Agence Havas, the media group.

Hoechst AG said group pretax profit in 1986 would be slightly lower than the 3.16 billion Deutsche marks (\$1.72 billion at current exchange rates) posted in 1985, while parent company pretax profits would rise slightly from the 1.62 billion DM in 1985. Group turnover fell slightly to 38 billion DM from 42.72 billion in 1985, and parent company turnover fell to around 14 billion DM from 15.35 billion.

Hughes Tool Co.'s board has voted to end a merger agreement with Baker International Corp., a rival oil-field service company, prompting Baker to file suit to enforce the agreement, first reached in October. The two companies have not been able to agree on plans to comply with Justice Department antitrust guidelines.

Municium AG, the West German diversified engineering and pipe-making group, said it was seeking a stake in at least one U.S. company to strengthen its presence in that market, but has not yet found a suitable candidate.

Occidental Petroleum Corp. has further increased its new common stock offering to a total of 37.95 million shares. Underwriters exercised in full their option to increase the offering by buying another 4.95 million shares after launching 33 million Wednesday. Before the offering, the U.S. oil company had 165 million shares outstanding.

Minister Edouard Balladur said. It would follow closely the denationalizations of the TFI television channel and Agence Havas, the media group.

Hoechst AG said group pretax profit in 1986 would be slightly lower than the 3.16 billion Deutsche marks (\$1.72 billion at current exchange rates) posted in 1985, while parent company pretax profits would rise slightly from the 1.62 billion DM in 1985. Group turnover fell slightly to 38 billion DM from 42.72 billion in 1985, and parent company turnover fell to around 14 billion DM from 15.35 billion.

Hughes Tool Co.'s board has voted to end a merger agreement with Baker International Corp., a rival oil-field service company, prompting Baker to file suit to enforce the agreement, first reached in October. The two companies have not been able to agree on plans to comply with Justice Department antitrust guidelines.

Municium AG, the West German diversified engineering and pipe-making group, said it was seeking a stake in at least one U.S. company to strengthen its presence in that market, but has not yet found a suitable candidate.

Occidental Petroleum Corp. has further increased its new common stock offering to a total of 37.95 million shares. Underwriters exercised in full their option to increase the offering by buying another 4.95 million shares after launching 33 million Wednesday. Before the offering, the U.S. oil company had 165 million shares outstanding.

Allis-Chalmers Will Sell Units To Keep Afloat

Compiled by Our Staff From Dispatches

WEST ALLIS, Wisconsin — Allis-Chalmers Corp., a one-time farm equipment giant, has announced plans to sell all its businesses except for American Air Filter Co. of Kentucky as part of a restructuring to avoid going to bankruptcy court.

The plan announced Wednesday also calls for raising more than \$100 million through public financing, deferring payment of about \$40 million in privately held debt and trimming employee health benefits.

It provides for the conversion of substantial amounts of Allis-Chalmers institutional debt into common stock as well as the exchange of preferred stock for common stock.

Allis-Chalmers sold its agricultural business in 1985 and its materials handling company in 1986 because of debt that at one point was more than \$200 million. Fluids handling and materials processing units would be sold under the new proposal.

BANQUE NATIONALE DE PARIS
Floating Rate Note Issue of U.S. \$400 million
September 1983-91

The rate of interest applicable for the period beginning March 4, 1987 and set by the reference agent is 6 3/4% annually.

Chemical Bank Home Loans
100% Mortgages for Expatriates
* fast, personalised service
* funds immediately available
Phone Barrie Lewis-Ranwell on 01-380 5186

N.Y. Judge Refuses to Dismiss Suit Against GM for Perot Stock Buyout

The Associated Press

NEW YORK — A New York state judge has refused to dismiss a stockholder suit against General Motors Corp., saying its \$700 million buyout of H. Ross Perot last year "seems unwelcome enough to constitute a wrong."

The \$1.5 billion lawsuit was filed by Milledge A. Hart 3d of Dallas on behalf of GM Class E stockholders. Mr. Hart contended that GM's buyout of Mr. Perot, after a series of disagreements between Mr. Perot and the company, was "a waste of corporate assets and breach of fiduciary duty" at a time when GM closed 11 plants and fired 30,000 workers.

In a decision published Wednesday, State Supreme Court Justice

Irma Vidal Santaella said the buyout "gives Perot a financial preference over other Class E stockholders, who will have to wait until 1991 for parity with him."

Mr. Perot, founder of Electronic Data Systems, acquired his shares when GM bought EDS for \$2.55 billion in October 1984.

Mr. Hart, who helped Mr. Perot found EDS in 1962, said GM paid Mr. Perot \$350 million more than his stock was worth as a "bribe" to get him out of the company and shut him up.

Mr. Hart, owner of 144,000 shares of GM Class E, said the buyout was motivated by the "self-interest of the board in entrenching and perpetuating their tenures by silencing Perot's criticism of their mismanagement."

FIDELITY AMERICAN ASSETS N.V.
Registered Office: Schottegatweg Oost, Salinje, Curaçao, Netherlands Antilles

Notice of Annual General Assembly of Shareholders
Please take notice that the Annual General Assembly of Shareholders of Fidelity American Assets N.V. (the "Corporation") will take place at 2:00 p.m. at Schottegatweg Oost, Salinje, Curaçao, Netherlands Antilles, on March 17, 1987.

The following matters are on the agenda for this Meeting:

- Report of the Management.
- Election of seven Managing Directors.
- The Chairman of the Management proposes the re-election of the following seven existing Managing Directors: Edward C. Johnson 3d, Hiashi Kurokawa, William L. Byrne, John M.S. Patton, Charles A. Frasser, H.F. Van den Hoven, Amaco Holdings & Trust Company N.V.
- Approval of the Balance Sheet and Profit and Loss Statement for the fiscal year ended November 30, 1986.
- Hiashi Kurokawa, John M.S. Patton, H.F. Van den Hoven, Amaco Holdings & Trust Company N.V.
- Approval of the Balance Sheet and Profit and Loss Statement for the fiscal year ended November 30, 1986 and authorization of the Managing Directors to declare an additional dividend in respect of fiscal 1986 if necessary to enable the Fund to qualify for "distributor" status under United Kingdom tax law.
- Hiashi Kurokawa, John M.S. Patton, H.F. Van den Hoven, Amaco Holdings & Trust Company N.V.
- Ratification of actions taken by the Investment Manager since the last Annual General Assembly of Shareholders.
- Such other business as may properly come before the Meeting.

A form of proxy may be obtained from the following institutions:

The Bank of Bermuda Limited
Hamilton, Bermuda

Kreditbank S.A. Luxembourgise
43, Boulevard Royal, Luxembourg

Holders of registered shares may vote by proxy by mailing a form of proxy obtained from the Corporation's Principal Office in Pembroke, Bermuda, or from the Banks listed above, to the Corporation at the following address:

Fidelity American Assets N.V.
c/o Amaco Holdings & Trust Company N.V.
P.O. Box 305
Curaçao
Netherlands Antilles

Holders of bearer shares may vote by proxy by mailing a form of proxy and certificate of deposit for their shares obtained and filed in the manner described in the preceding sentence. Alternatively, holders of bearer shares wishing to exercise their rights personally at the Meeting may deposit their shares, or a certificate of deposit therefor, with the Corporation at Schottegatweg Oost, Salinje, Curaçao, Netherlands Antilles, against receipt therefor, which receipt will entitle said bearer shareholders to exercise such rights.

All proxies (and certificates of deposit issued to bearer shareholders) must be received by the Corporation not later than 1:00 p.m. on March 17, 1987, in order to be used at the Meeting.

By order of the Management
Charles T.M. Collis
Secretary

INTERNATIONAL REAL ESTATE

SWITZERLAND

Le Domaine de Roche-grise
VILLARS SUR OLLON

Your second home in a wonderful and unique setting close to the future VILLARS-SHERATON-PALACE

Please send me full documentation

Name: _____
Address: _____
SOCORA ☎ 025/35 14 33
CH 1884 Villars sur Ollon ☎ 025/35 12 78

U.S.A.

Own land in the great American West

Here's an outstanding opportunity to acquire a sizable piece of America's ranchland at a very modest cost.

Sangre de Cristo Ranches Inc., the land development subsidiary of FORBES MAGAZINE, the American financial publication, is now offering for sale scenic ranchland in Colorado's Rocky Mountains. Spectacular land for a homestead and a lifetime of appreciation.

Minimum 5-acre ranch sites starting at \$4,500

Send today for fact kit and full color brochure

FORBES EUROPE
SANGRE DE CRISTO RANCHES INC.
P.O. BOX 88, Dept. INT
LONDON SW11 3UT
ENGLAND

Name: _____
Address: _____

TECHNOLOGY: CD Bookshelf

(Continued from first finance page)

S. Rothchild, a San Francisco-based expert on optical disks, recently lowered his projection of 1990 sales of CD-ROM players from 2.4 million to 700,000. He said that some computer makers thinking of distributing software through CD-ROMs might switch to other forms of optical disks that can transfer data faster and offer users the chance to record their own information.

The retail market is expected to develop particularly slowly because consumers might be reluctant to buy expensive players with so few disks available. CD-ROM disks cannot be played on musical CD players.

"If the customer cannot buy, size the customer cannot buy," said Jean-Louis Gassée, vice president of product development at Apple Computer. "I love the technology myself."

in a marriage, attraction is not commission.

Some see a bright future for CD-ROMs in education and entertainment. Besides text and graphics, such disks can store sound and animation and even limited video. A CD-ROM encyclopedia article on John F. Kennedy could play excerpts from his speeches, for instance.

Philips, the Dutch electronics giant, is expected next year to introduce CD-Interactive, a machine that would attach to a television set and stereo and play CD-ROM disks without requiring a computer.

Still, the CD-Interactive plans are coming under criticism and alternatives are likely. RCA demonstrated a technology Tuesday that would allow one hour of video to be encoded on a CD-ROM disk. If such technology catches on, it could mean the death of the CD-Interactive system.

CELERINA
below St. Moritz

As we are obliged to leave for professional reasons, we are selling a comfortable 3-room, half-owner occupied apartment, of its starting price.

There is a restaurant in the building. It is close to the cross-country station and both on the ski lift, cross-country skiing, skating and curling are within easy walking distance.

St. Moritz is 5 minutes away

The apartment has a beautiful view and a big sunny terrace of about 60 sqm.

Also suitable for investment.

Particulars for foreigners, if desired.

Write to Cigler A 188, Messe Amstetten, Postfach 8025, Zurich, Switzerland

LONDON RESIDENTIAL LETTING AGENCIES

Spier & Dave

LONDON'S LEADING LETTING AGENCY
01-435 7601

TERRACES AT TURNBERRY

On the Intra-coastal Waterway Facing the Atlantic Ocean & the World Famous Turnberry Golf Course.

Luxury 1, 2 & 3 bedroom apartments, of world class amenities. From \$160,000 to \$500,000.

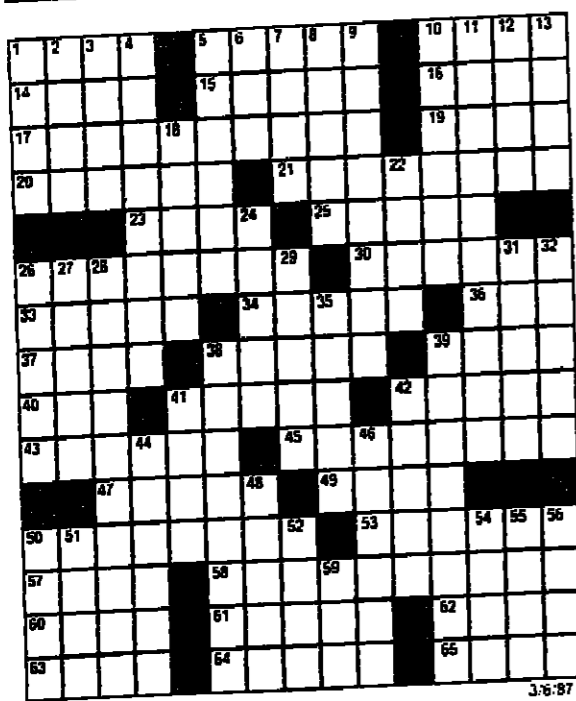
20191 E. Country Club Dr. N. Miami Beach, FL 33180
Tel.: 305/931-4111

Charlottesville Area Virginia
Poco Don Farm

Extremely productive 900 acre cattle farm with long river frontage needed in a scenic mountain valley. Approximately 100 acres are in very fertile crop land. 500 acres in pasture land with the balance wooded and surrounded by national forest. The farm is beautifully improved and all the improvements are in excellent condition. The views are spectacular in every direction, and recreational opportunities abound. A going concern with management in place. \$1,250,000.

For additional information on this and other country properties of distinction, please contact:

Roy Wheeler Realty Co.
401 E High St., Charlottesville, Va. 22901
(804)968-4176 Telex: 510-587-5408



ACROSS
1 Former labor leader
5 Quantity of arrows
10 Mighty Meccan
14 Lucknow lady
15 Director of "It's a Wonderful Life"
16 Sipper
17 Mont Cervin
19 Funds for Franco: Abbr.
20 Raglan, e.g.
21 Fills
23 Shorten sail
25 Elbe feeder
26 Ordered back
30 Nitrogen and carbon dioxide
33 Coe's compatriot dances
34 Highland
36 Long
37 Kyle or Tobin of football fame
38 Beaumont-scale recordings
39 Fatche
40 N.Y.C. subway
41 Unguent
42 Tooth, to a Tuscan

© New York Times, edited by Eugene Malachuk.

DENNIS THE MENACE



WHY GET A SITTER? JUST CALL MR. WILSON! HE SAYS HE'S REALLY GONNA TAKE CARE OF ME ONE OF THESE DAYS.

JUMBLE THAT SCRAMBLED WORD GAME

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

NILOG
CULYJ
ENNECT
HONGIM

ANSWER: WHAT'S ABOVE CARTON (Answers tomorrow)

Yesterday's Jumbles: FLOOR SHOW MARTIN PARDON
Answer: What he did every time he bought a suit - HAD A FIT

WEATHER

Table with weather forecasts for Europe, Asia, Africa, Latin America, North America, Middle East, and Oceania. Columns include location, high, low, and conditions.

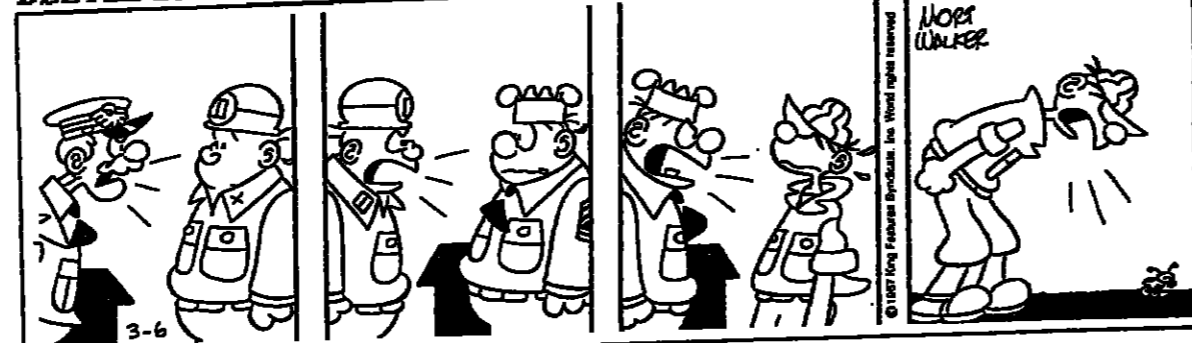
PEANUTS



BLONDIE



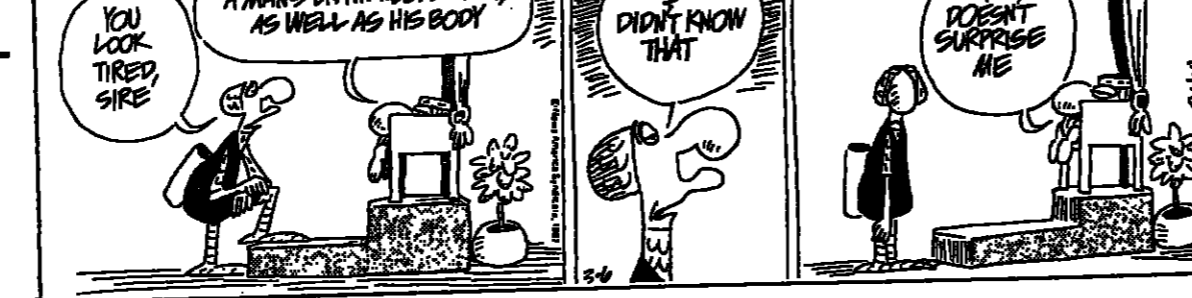
BEEBLE BAILEY



ANDY CAPP



WIZARD of ID



REX MORGAN



GARFIELD



BOOK BRIEFS

LOOK HOMEWARD: A Life of Thomas Wolfe, by David Herbert Donald. Little, Brown, 34 Beacon Street, Boston, Mass. 02106.
THE TOKYO WAR CRIMES TRIALS: International Synopses. Edited by R. M. Soyars, N. Ando, Y. Osumi and R. M. Soyars. Kodansha International, 10 E. 53d Street, New York, N.Y. 10022.

THE OTHER NUREMBERG: The Untold Story of the Tokyo War Crimes Trials. By Charles Summer and the Coming of the Civil War.
THE JAPANESE EDUCATIONAL CHALLENGE: A Commitment to Children. By Merry White. The Free Press, 966 Third Avenue, New York, N.Y. 10022.

BRIDGE

By Alan Truscott
On the diagrammed deal from the 1986 world championships in Miami Beach, Mrs. Kerrie Shuman, of Los Angeles, held the North cards and was looking forward to defending two spades, preferably doubled.

World Stock Markets

Table showing closing prices for various world stock markets including Amsterdam, London, Paris, Frankfurt, Zurich, and Tokyo. Includes indices and previous day's prices.

Large vertical advertisement on the right side of the page, featuring the text 'No-Glitter' and 'Scoreboard'.

Handwritten Arabic text at the bottom center of the page.

SPORTS

No-Glitter Boxer's Golden Opportunity Against Tyson

By Earl Guskey
Los Angeles Times Service
LILLINGTON, North Carolina — The white house is set back from a two-lane country road that winds through the North Carolina woods.



James (Bonecrusher) Smith gets ready for Tyson fight.

Inside, in an office, is the man who on Saturday night will box Mike Tyson in Las Vegas in a heavyweight fight that will unify the World Boxing Council and World Boxing Association heavyweight championships.

At a large desk, James (Bonecrusher) Smith, who holds the WBA version of the title, sits in front of an adding machine. Beating Tyson, he says, will enable him to crank out some big numbers on that adding machine. He will earn roughly \$1 million Saturday, Tyson \$2 million.

"There's big money available out there, but the key to the whole thing is winning," says Smith, leaning back in his executive chair. "You keep winning in this sport, and there's almost no limit to what you can make. That's why I'm going to beat him."

Smith is pretty good with numbers and he's the only heavyweight champion ever to have earned a college degree. He graduated with a business degree from Shaw College in Raleigh, North Carolina, in 1975.

From any view, Bonecrusher — his friends call him Bone — isn't your typical professional boxer. There is no gold, no glitter. The car in the driveway is a 1984 Oldsmobile. The watch is a Timex. He wears shirts and ties — even in Lillington — and favors tweed sport coats. He says thank you a lot, rarely uses profanity and doesn't mix metaphors or use double negatives.

How does this guy ever hope to succeed in boxing, talking like a school teacher, which he has been? Couldn't he at least borrow a gold chain?

More to the point, is Bonecrusher Smith for real? He is, according to one old friend, Doug Tanner was a prison guard with Smith in the late 1970s.

"Bone has made a lot of money and bought a nice big house in the last few years, but he's really never changed," Tanner said. "Basically, he's a friendly, gentle, good-hearted man. And he's very loyal."

"Tyson, I think he carries too much weight for his frame. I'll take him into the eighth, ninth rounds and then watch him slow down."

— Bonecrusher Smith

He'd dig ditches tomorrow without complaining if he thought something good would happen to his family for it.

"He's extremely loyal to his wife, Reba. He knows Reba has always been on his bandwagon, even back when he was making

to speak the next morning to a group of kids a hundred miles away, and he'll drive half the night to get there on time. He has a hard time saying no."

Smith always wanted to be a pro athlete, but he wasn't counting on becoming a boxer.

round is like a world title fight." He worked as a prison guard at Burgaw, North Carolina, and also taught high school equivalency courses in math, social studies and reading to convicts.

Now, life has handed Smith a golden opportunity. He'll be

"I spent most of my boyhood laboring under the fantasy that one day I'd be a star in the NBA," he said. "I figured that was over when I stopped growing at 6-foot-4 (1.94 meters). Then I went out for football and played one year at defensive tackle, but I wasn't much good. I never put on a pair of boxing gloves until I was in the Army."

In the Army, Smith, a personnel officer, was stationed in Würzburg, West Germany. He'd won an amateur boxing tournament at Fort Jackson, South Carolina, and continued to box in army tournaments in Germany.

"That's when I picked up the nickname Bonecrusher, beating up guys in the Army," he said. "I cracked a few ribs. But a lot of people told me I had some ability, so I decided I'd give pro boxing a chance when I got out. I was discharged at Fort Dix, New Jersey, in 1978 and went to Joe Frazier's gym in Philadelphia to train. I learned a lot, real fast. I got beat up every day, and had two black eyes all the time."

"At that time Joe's son, Marvis, was the No. 1 amateur heavyweight in the country, and Joe was spending a lot of time working with him. I didn't feel I had a future in that situation, so I came home. Besides, I was afraid I'd burn myself out at Frazier's gym. When you get into a ring in a Philadelphia gym to spar, every

something like a 7-1 underdog at the opening bell against Tyson but simply his getting the fight is surprising.

Back in December, the promoter Don King was having trouble getting the WBA champion, Tim Witherspoon, and Tony Tubbs into a Madison Square Garden ring for one of his heavyweight tournament bouts to unify the heavyweight championship. Tubbs pulled out, claiming an injury. King said he was holding out for more money. Seven days before the fight, King called Smith.

"He called me at home here one night and said, 'Are you interested in fighting Witherspoon?' and I said 'Sure!'"

Retelling it, Smith leans back in his executive chair and enjoys a hearty laugh, recalling how he had beaten Witherspoon that night as if Witherspoon had stolen something. The first punch of the fight, a long right hand, landed on the side of Witherspoon's head, and staggered him. Smith knocked him down three times.

When the fight was stopped, the 33-year-old Smith was the WBA champion, having taken the title from a man who had beaten him soundly in 1985.

"At his best, Witherspoon is a real good fighter," he says. "He beat me badly in '85. (Larry Holmes beat me, too. But against Holmes I always had a feeling I was one punch away from turning the fight around. Witherspoon beat me in every round. He dominated me. But in the second fight, I got in that first punch and I was in charge immediately."

Smith suggests that those picking Tyson examine the record.

"Three of the hardest punchers in the division are Witherspoon, (Mike) Weaver and (Frank) Bruno, and I've knocked all of them out," he says. "Why? Because big hitters like that are made for my style. If they come after me, I'm my best. Tyson, I think he carries too much weight for his frame. I'll take him into the eighth, ninth rounds and then watch him slow down."

Jordan Hits a New High With 61 Points for Bulls

The Associated Press
NEW YORK — On a night when Jeff Malone surged and Gerald Wilkins soared, scoring honors in the NBA went where they usually go — to Michael (Air) Jordan.

The league's leading scorer hit for 61 points Wednesday night, a regular-season career high, in leading the Chicago Bulls to a 125-120 overtime victory over the Detroit Pistons. It was the highest point total in the National Basketball Association this season, exceeding Jordan's own 58-point performance Feb. 26 against New Jersey.

Malone set several club records by scoring 48 points for Washington in a 117-114 victory over New Jersey. Wilkins had 41 as New York beat Philadelphia, 102-99.

But it was Jordan that flew above those performances and around everyone trying to guard him. "You'll never really see unstoppable, but I felt close to it," said Jordan, who scored 26 of the Bulls' 33 fourth-quarter points and had 35 in the second half. His jumper over the Pistons center Bill Laimbeer with 14 seconds left in the fourth quarter forced overtime.

"I kept coming up with a lot of shots people haven't seen. I know I haven't seen some of them," said Jordan, who was averaging 37.3 points a game at the start of the week.

Jordan's previous regular-season high was his 58 last week against the Nets. He established a Pistons Silverdome record, beating the 56 by Kelly Tripucka, then a Piston, against the Bulls on Jan. 29, 1983.

Jordan's all-time NBA high is 63 points against the Boston Celtics last April 20 in the playoffs. How many more can he score? "I hate to put a limit on what I can do. I just want to improve as a player," Jordan said.

But he dismissed consideration of challenging Wilt Chamberlain's record of 100 points, set 25 years ago this week. "That's impossible with the way the game has changed," said the 6-foot-6 (1.99-meter) guard. "Scoring whatever I scored tonight was tough enough."

NBA FOCUS

beer with 14 seconds left in the fourth quarter forced overtime.

"I kept coming up with a lot of shots people haven't seen. I know I haven't seen some of them," said Jordan, who was averaging 37.3 points a game at the start of the week.

Jordan's previous regular-season high was his 58 last week against the Nets. He established a Pistons Silverdome record, beating the 56 by Kelly Tripucka, then a Piston, against the Bulls on Jan. 29, 1983.

Jordan's all-time NBA high is 63 points against the Boston Celtics last April 20 in the playoffs. How many more can he score? "I hate to put a limit on what I can do. I just want to improve as a player," Jordan said.

But he dismissed consideration of challenging Wilt Chamberlain's record of 100 points, set 25 years ago this week. "That's impossible with the way the game has changed," said the 6-

Jordan had some help. Sedale Threatt, a reserve guard, scored eight of his 19 points in overtime.

"He was unstoppable tonight," the Bulls coach, Doug Collins, said of Jordan. "When he shoots the outside jumper like he was tonight and you come up on him, he blows by you."

"The guy has great heart. It's like Boston with (Larry) Bird and L.A. with Magic (Johnson). When you see a guy playing like that, it picks everybody up."

Adrian Dantley scored 32 points and Isiah Thomas 31 for Detroit. In Landover, Maryland, Malone had his most productive night in the NBA. The Bulls guard made 17 of 27 field goal attempts in setting a Capital Centre scoring record. His 31 points in the second half established a record for points in a half by a Washington player. He finished eight points shy of Earl Monroe's franchise mark, set in Baltimore in 1968.

Oilers Shine After a Sunny Vacation

The Associated Press
VANCOUVER, British Columbia — A little rest and relaxation was just what the Edmonton Oilers needed after a four-game losing streak on the road.

Fresh from several days in sunny Arizona, the Oilers ended their slide Wednesday night, getting goals from eight players to bombard the Vancouver Canucks, 8-5.

"This shows just how important rest can be in hockey," said the Oilers captain, Wayne Gretzky, who scored his 55th goal of the season and assisted on two others. "It was a gutsy move because management could have taken us home."

"Now it seems like a new season. We're ready for the playoff drive. We play Calgary three times and

NHL FOCUS

Winnipeg once. It should be fun."

The Oilers regained the overall lead in the NHL standings with 81 points, two more than the Philadelphia Flyers, and took a seven-point lead over the Winnipeg Jets and the Calgary Flames in the Smythe Division standings.

"It all goes to show that you've got to keep an even keel in this

game," said Edmonton's coach, Glen Sather. "You can't get too cocky when you're up and too depressed when you're down."

Scoring for the Oilers were Esa Tikkanen, Mark Messier, Craig MacTavish, Paul Coffey, Jaroslav Poupal, Jari Kurri, Gretzky and Glenn Anderson. Gretzky ran his NHL-leading point total to 153 after being held scoreless the previous two games.

SPORTS BRIEFS

Fighting Fireman Wins IBF Crown

BASILDON, England (AP) — Terry Marsh, a fireman who also boxes, took the International Boxing Federation junior welterweight title from Joe Louis Manley of the United States before a hometown crowd of 6,000 in a circus tent here.

The 29-year-old Briton stopped Manley, 27, in the 10th round of a scheduled 15-round fight on Wednesday. He floored the American in the ninth and in the 10th. It was Manley's first defense of the title.

Marsh, who has 25 victories and a draw in 26 fights, returns to work Friday at Tilbury station.

French Boxer Dies After Losing Bout

PARIS (IHT) — A 24-year-old French boxer, Jean-Claude Vinci, has died after collapsing at the end of a bout he lost on points.

Vinci, from Marseille, died Tuesday night in a Rouen hospital. He had begun vomiting and complaining of a headache 30 minutes after his match last Friday against Lionel Jean in Evreux. He later went into a coma. It was Vinci's third professional fight.

20 Arrested in England Soccer Riot

DERBY, England (AP) — Store windows were smashed and several police officers were slightly hurt as fans of Portsmouth's visiting soccer club went on a pregame rampage, authorities said Thursday.

Twenty persons were arrested in the attacks, which appeared to be racially motivated, according to the police.

A police spokesman said that Wednesday evening, 60 white Portsmouth soccer fans stormed into a social club in a black section of Derby, breaking windows and attacking 35 youths. The local youths chased the Portsmouth youths out of the club and into the streets.

For the Record

Anatoly Khrapov of the Soviet Union set a world middle heavyweight weightlifting record at a competition in Lvov on Thursday. He clean-and-jerked 233.5 kilograms (513.7 pounds), half a kilogram better than the previous record, held by his compatriot Viktor Solodov. (AFP)

In Texas, College Recruiting Scandal Is a Natural Son of King Football

By Peter Applebome
New York Times Service

HOUSTON — It's a long way geographically and culturally from the tiny West Texas town of Wink to Dallas.

But when David Burnett, athletic director of the 119-student Wink High School, views the recruiting fiasco rocking Dallas's Southern Methodist University and the entire Southwest Conference, he is not too surprised by what he sees.

"Football is the king of sports in west Texas," said Burnett, who said that about 35 of his school's 57 boys play on the team's varsity and junior varsity teams. "This whole town will roll up the streets when the team is winning around here, and it's not much different anywhere else. The problems going on now are not with the schools, they're with the alumni, but I don't think it will hurt the game. It's too important for that."

If the current recruiting scandals, which have by now dragged in Governor Bill Clements, have the wild feel of caricature to outsiders, within the state they seem uncomfortably true to life.

When he traveled around the nation to write "Traveling with Charley" in 1962, John Steinbeck found Texas's obsession with football akin to a socially sanctioned form of military affairs.

"Sectional football games have the glory and the despair of war," he wrote, "and when a Texas team takes the field against a foreign state, it is an army with banners."

There are times such sentiments seem a quaint view of a rarer, younger Texas. But the current round of scandals is a reminder of how ingrained football is in Texas life, how high the stakes are, and how much like battle it can be for players on the field and for boosters off it, competing for the glory of their school and often of their city.

Those stakes partly explain the pervasiveness of recruiting violations in the Southwest Conference, where since 1985 every Texas school with the exception of Rice University, a perennial doormat, has faced either NCAA penalties or internal investigations of recruiting violations. The only conference member outside Texas is the University of Arkansas.

Last week, the National Collegiate Athletic Association suspended SMU's football program for the 1987 season after the school was found guilty of repeated violations. Since then, violations have surfaced at Texas Tech, and its football program has been placed on probation for one year. Clements said Tuesday that he and fellow members of the board of governors of SMU were aware of payments being made

to football players after the school was placed on NCAA probation in 1985.

The state's obsession with football is well known. This year Texas fielded 1,038 high school teams and a total of 170,114 varsity, junior varsity and junior high school players.

The football scandals are front-page news throughout the state, but it does not take a scandal to get attention. A few weeks ago at the height of the Iran-contra crisis, the banner headline across the front page of The Dallas Times Herald read, "Should Texas Stadium be named 'Landry Stadium'?" in honor of the Cowboys' coach, Tom Landry. Last fall, a Dallas columnist compared the shock of the Cowboys' ending a string of 20 consecutive seasons without a losing record to the trauma of the Kennedy assassination.

At the start of each season, the state's newspapers carry special football sections as thick as most Sunday newspapers. Don Meredith, the former Cowboys quarterback and broadcaster, once said, "There's no ego trip in the world quite like being a high school football star in Texas." But there is another side to the coin. When the high school team in the town of Crosby got off to a bad start in 1983, Ronnie Davenport, the coach, and two assistants had to wear bulletproof vests to a game

after receiving telephoned death threats. The recruiting wars are exacerbated because of the number of major colleges in the state competing for the same talent.

"If you're a star athlete you expect to be the object of a bidding war," said Paul Burka, a senior editor at Texas Monthly magazine.

A.C. Greene, a Dallas historian, said SMU's problems also resulted partly from the city's instincts. "Dallas is not a thoughtful city," Greene said. "It's a can-do city. Instead of selling its academic reputation, the idea of success for the people who ran the school was something you could put a finger on right now. The ambition is run by people in Dallas who are very ambitious, and for them being ambitious reaches toward athletic success, and in Texas athletic success means football success."

Brad Carter, head of SMU's religious studies department, said the school's current debate in the midst of an aggressive effort to upgrade its academic standing reflected a broader conflict in the state. "They wanted a great university without building a great university," he said. "They knew a lot about football, but not a lot about academics. It's a colonial mentality. You alternate between being belligerently Texan and then aggressively imitative of

the more advanced institutions like the Ivy League or California."

Calls for Inquiry
The New York Times reported from Dallas: At separate meetings Tuesday night and Wednesday, three governing councils at SMU agreed that further investigations were necessary into the controversy surrounding the football program.

"What we want to do is put everything behind us and get on with the business at hand," said William L. Hutchison, who recently took over as chairman of SMU's board of governors.

The board said it would ask the president of the College of Bishops of the South Central Jurisdiction of the United Methodist Church, Bishop John Russell, to "immediately appoint an external committee to investigate the matter."

Leroy T. Howe, president of the faculty senate, said the group was "asking the chairman of the board of governors to call a meeting of the board of trustees to investigate the role of the board of governors."

The student senate passed a resolution Tuesday night saying it was considering suing "all responsible parties and individuals for injury incurred upon the student body due to the handling of the football situation by the leadership" of SMU.

SCOREBOARD

Basketball

NBA Standings

Table with columns for Eastern Conference Atlantic Division, Central Division, Western Conference Midwest Division, Pacific Division, and Individual scores.

NCAA Leaders

Table with columns for Team, Points, and Field Goal Percentage.

Golf

PGA Leaders

Table with columns for Leader, Money, and Score.

U.S. College Results

Table with columns for School, Points, and Score.

European Soccer

Transition

Table with columns for Championship Cup, UEFA Cup, and other soccer events.

Tennis

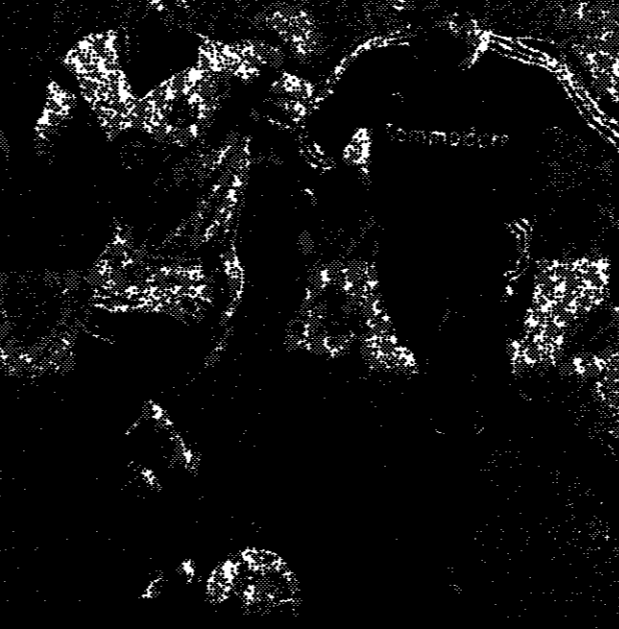
Table with columns for International Players Championships, Men's Singles, Men's Doubles, Women's Singles, and Women's Doubles.

Hockey

NHL Standings

Table with columns for Eastern Division, Western Division, Campbell Conference, and Norris Division.

Bayern Munich's Michael Rummenigge, right, passing Anderlecht's Georges Gruen in a first-leg quarterfinal match of the European Champions Cup. Bayern won, 5-0.



Bayern Munich's Michael Rummenigge, right, passing Anderlecht's Georges Gruen in a first-leg quarterfinal match of the European Champions Cup. Bayern won, 5-0.

European Soccer

Transition

Table with columns for Championship Cup, UEFA Cup, and other soccer events.

Tennis

Table with columns for International Players Championships, Men's Singles, Men's Doubles, Women's Singles, and Women's Doubles.

Hockey

NHL Standings

Table with columns for Eastern Division, Western Division, Campbell Conference, and Norris Division.

European Soccer

Transition

Table with columns for Championship Cup, UEFA Cup, and other soccer events.

Tennis

Table with columns for International Players Championships, Men's Singles, Men's Doubles, Women's Singles, and Women's Doubles.

Hockey

NHL Standings

Table with columns for Eastern Division, Western Division, Campbell Conference, and Norris Division.

U.S. College Results

Table with columns for School, Points, and Score.

Advertisement for Blancpain watches, featuring a large image of a watch and the text 'Since 1735 the oldest name in Swiss watchmaking. Embassy Palace Arcade 7500 St. Moritz'.

OBSERVER

Fire in the White House

By Russell Baker

NEW YORK—Conversations

"Isn't it amazing?"

"Howard Baker's fantastic quali-

fications for public office?"

"No, I always knew Baker was

tops, but everybody said he could

never make president because he

didn't have fire in the belly."

"Manic ruthlessness, you mean."

"Howzat?"

"Fire in the belly. It's political-

writer lingo, a cute way of saying

'manic ruthlessness.' It's what's

called euphemism. Like when

Cuomo said he wouldn't run —

"Mario, you mean?"

"Don't first-name him. First-

naming famous guys you don't

know is nekulturny."

"What's nekulturny?"

"Some of my homemade Rus-

sian. Means tacky. Where was I?"

"You were going to say like when

Cuomo wouldn't run, the pundits

—

"I hate pundits. Call them 'wiz-

ards.'"

"The wizards said Cuomo

didn't have fire in the belly and

that was a euphemism meaning he

didn't have the manic ruthlessness

needed to run for president. But

'fire in the belly' isn't a euphe-

mism."

"No?"

"Belly" can't be a euphemism.

Seventh grade taught me "belly" is

not a nice word, so nice people say

"abdomen" instead. "Abdomen" is

a euphemism for "belly." "Fire in

the belly" could only be a euphemism

for "manic ruthlessness" if it was

called "fire in the abdomen."

□

"Manic ruthlessness, fire in the

belly or conflagration in the abdo-

men — Howard Baker didn't have

it, so everybody said nice guy,

probably can't get past New

Hamphshire."

"I get your drift. Suddenly last

Friday everybody and everybody

thumps Baker's back and calls him

a paragon of public excellence."

"Everybody. Democrats, Republi-

cans, Nancy, TV anchors, editorial

writers, columnists, urchins, pan-

handlers, unregenerate smokers

and penitent safe-crackers. A na-

tional chorus of huzzahs for this

guy who, just 12 hours ago, didn't

have the manic ruthlessness to be

taken seriously as a presidential

candidate, much less —"

"O.K., you ask me was it not

amazing. I tell you: It was not

amazing."

"So, Mister Seen-It-All, eh?"

"Not Mister Seen-It-All. Mister

Read-It-All. Look, if I read 'Robin-

son Crusoe,' you read 'Robinson

Crusoe.'"

"You're saying Howard Baker is

Robinson Crusoe?"

"Of course he's not Crusoe. He's

not even Friday. He's the island."

"You've got me thinking ship-

wreck." □

"Shipwreck and doom. Worst

storm since they invented the TV

weatherman who wouldn't tell you

if it was going to rain or shine until

you'd sat through five more mes-

sages."

"And everybody thinks the game

is up, it's all over, curtains."

"Prayers being said all over the

deck. You know the scene from

those old shipwreck movies. Every-

body praying, 'So us, O Laxari!'

'So us, O Laxari! This Great Republi-

can and That Great Republican!'

But it's no dice. The ancient vision

of the angry Prophet Buchanan is

being fulfilled: The Shipster of State

is being abandoned by the crew he

succored."

"But Howard Baker?"

"The island. Crusoe is cast into

the angry sea and wakes up to find

himself still alive. A convenient

island has intervened."

"An island ex machina."

"No Latin, please. You could get

us accused of elitism. Whatever it's

called, the island creates instant

euphoria. If Crusoe has seen this

island on maps before, it's never

impressed him. He probably said,

'His palm trees don't have fire in

the coconuts.' But now, suddenly, it

is the greatest island ever known.

□

"Sure. Waking up alive when

you expected to wake up dead

tends to elevate the mood, but why

does Baker want to be the island

that saved Reagan?"

"Gives him an excuse not to run

for president himself, thus elimi-

nating even a remote chance he

could win. Now tell me: Why is he

afraid of that?"

"Easy if you realize Reagan is

really the new Calvin Coolidge. Af-

ter Calvin Coolidge comes Herbert

Hoover."

New York Times Service

Rembrandt Without Cant

By Michael Brenson

NEW YORK — Of the 30 art

historians and art conserva-

tionsists invited to the Museum of

Fine Arts in Boston in February

to discuss the issues that have

turned Rembrandt into a battle-

ground, the most unconventional

may have been Gary Schwartz.

He is a Rembrandt scholar with-

out a Ph.D. and without a univer-

sity or museum affiliation. He is

an American who has been living

in the Netherlands since 1965,

whose revisionist biography,

"Rembrandt: His Life, His Paint-

ings," published in the United

States last year, was translated

into Dutch by his wife as he was

writing it.

Convinced that the picture that

has been painted of Rembrandt as

a great humanitarian and abso-

lutely original creative genius was

in no way supported by historical

evidence, Schwartz attacked it with

all the archival ammunition he

can muster. The artist who emerges

from his detailed, unempathetic,

occasionally angry, monograph is

competitive, self-centered, gree-

dily, not particularly well-read,

sometimes malodorous and in

every way part of his age.

Instead of approaching art

largely on the basis of visual evi-

dence provided by the work, many

art historians are now consid-

ering art almost entirely within

what they can determine of its

social and political context. "Art

history has always swung between

contextual and visual orienta-

tions," Schwartz said, "but it has

never dealt with Rembrandt in the

world around him."

An example of an essentially

visual approach is the Rembrandt

Research Project, an Amsterdam-

based, five-member committee

that has been working since 1969

to establish the authenticity of

hundreds of works that have been

attributed to Rembrandt, of which

only about 30 so far have been

fully documented as his. The com-

mittee bases its decisions on

documentation, on scientific pro-

cedures such as X-rays and on

meticulous observation of such

stylistic features as the touch and

movement of the artist's brush.

Schwartz is convinced that the

most productive way to approach

Rembrandt now is in the context

of his time.

His book discusses the social,

political and religious controver-

sies of the Netherlands in the 17th

century, its literary and intellectu-

al climate, and the struggle among

artists for favor and fortune.

Most of all, it considers the role

of patronage. Many patrons were

key players in the religious and

political life of the age. They had

a great deal to do not just with the

choice of subject but also with the

size of a painting and sometimes

with its style. "Art is embedded in

its society," Schwartz said. "In

the last few years, it has been

important for me to approach this

systematically rather than begin-

ning visually and then filling in."

Schwartz was born in New

York in 1940. His mother was

Hungarian; his father, who

worked in and eventually took

over his father's sweater factory,

was of Polish origin. He attended

Hebrew primary and secondary

schools; later he would spend a

year at the Hebrew University in

Jerusalem.

He entered New York University

at the age of 16 and made art

history his major. He was a gradu-

ate student at Johns Hopkins

University, where he specialized in

medieval art. For Adolf Katzen-

ellenbogen, the chairman of the

department, the artist descri-

bed by Schwartz as the

"Moby-Dick of Dutch art" was an

ideal.

"Naturally Rembrandt came

out the winner in all the compar-

isons," Schwartz said. "It was a

foregone conclusion. He served as

a model for everything art could

be. Some of the greatest values of

Western civilization were embod-

ied in his work and person."

In 1965, Schwartz went to the

Netherlands on a fellowship to

do research on "Glohes in Still

Life Paintings." "I fell in love

with the place. Its understated



Author Schwartz: "Art history never dealt with Rembrandt in the world around him."

beauty made me feel so much at

home. Holland was a fulfillment

of all the social and political val-

ues I had been raised to respect —

tolerance, fair play, the rule of

law, social justice — which I

didn't feel were embodied any

longer in America."

In 1968 he married the Dutch

art historian Loeke Hendriks.

They have two teen-age children

and live in a 260-year-old house in

Maarsse, near Utrecht. This year

Schwartz is a Getty scholar at the

Getty Center for the History of

Art and the Humanities in Santa

Monica, California, where he is

gathering material on the 17th-

century Dutch painter Pieter

Saenredam.

His study of Rembrandt began

in 1969 when he helped edit and

translate Horst Gerson's "Rem-

brandt Paintings." "Gerson's atti-

tude was that of the connoisseur,"

Schwartz said, "identifying Rem-

brandt's hand in the painting, but

he uses to consider the relation-

ship of art and artists "to the total

production of art in the society in

which they originated" cannot

J.A. Emmens, the author of

"Rembrandt and the Rules of

Art," whose approach was more

contextual. "The circle around

Emmens was fundamentally con-

cerned with the intellectual judg-

ments that go into the prevailing

opinions of an age," Schwartz

said.

He began gathering material in

1977. The book came together in

the winter of 1983. "Until then I

had seen the chapters as disparate

entities, and now they became

connected. It was the relation be-

tween the patrons and the people

with whom Rembrandt had been

involved that drew everything to-

<